



**MBOMBELA LOCAL
MUNICIPALITY**

**DRAFT 2013/2014 –
2015/2016 ANNUAL
BUDGET AND MEDIUM-
TERM REVENUE AND
EXPENDITURE
FRAMEWORK**

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ABBREVIATIONS, ACRONYMS AND DEFINITIONS

CPI – Consumer Price Index (Measure of general inflation)

DORA – Division of Revenue Act

DPLG – Department of Provincial and Local Government

GDP - Gross Domestic Product

GRAP – Generally Recognised Accounting Practice

IDP – Integrated Development Plan

MBRR – Municipal Budget and Reporting Regulations (Government Gazette 32141)

MFMA – Municipal Finance Management Act (No 56 of 2003)

MIG – Municipal Infrastructure Grant

MPRA – Municipal Property Rates Act (No 6 of 2004)

MSA – Municipal Systems Act (No 32 of 2000)

MTREF – Medium-term Revenue and Expenditure Framework

NERSA – National Electricity Regulator of South Africa

NT – National Treasury

Operational expenditure – Spending on the day to day expenses of a municipality such as general expenses, salaries & wages and repairs & maintenance

Property Rates – Local Government tax based on assessed valuation of a property

SDBIP – Service Delivery and Budget Implementation Plan

Adjustment Budgets – Prescribed in section 28 of the Municipal Finance Management Act. It is the formal means by which a municipality may revise its budget during a financial year.

Allocations – Money received from Provincial and National Treasury in terms of the Division of Revenue Act

Budget – The financial plan of a municipality

Capital Expenditure – Spending on municipal assets such as land, buildings, infrastructure, equipments and vehicles

PART 1 – ANNUAL BUDGET

1.1 MAYOR'S REPORT

The Executive Mayor will table the 2013/2014 budget speech when presenting the final 2013/2014 – 2015/2016 annual budget and medium-term revenue and expenditure framework to the municipal council on 30 May 2013.

1.2 COUNCIL RESOLUTIONS

The municipal council on its special meeting held on 28 March 2013, under item A(2) considered the draft 2013/2014 – 2015/2016 annual budget and medium-term revenue and expenditure framework and resolved that;

- (a) Council take note of the contents of the report;
- (b) The draft budget and medium term revenue and expenditure framework (MTREF) consisting of an operating and capital budget for the 2013/2014 – 2015/2016 financial years, as reflected in the below schedule, be adopted:

| Description | 2009/10 | 2010/11 | 2011/12 | Current Year 2012/13 | | | | 2013/14 Medium Term Revenue & Expenditure Framework | | |
|--|------------------|------------------|------------------|----------------------|------------------|--------------------|-------------------|---|------------------------|------------------------|
| | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget | Adjusted Budget | Full Year Forecast | Pre-audit outcome | Budget Year 2013/14 | Budget Year +1 2014/15 | Budget Year +2 2015/16 |
| R thousands | | | | | | | | | | |
| Financial Performance | | | | | | | | | | |
| Property rates | 187,192 | 197,865 | 245,816 | 281,185 | 280,934 | 280,934 | 280,934 | 305,881 | 337,153 | 373,338 |
| Service charges | 401,690 | 485,008 | 588,159 | 668,878 | 663,170 | 663,170 | 663,170 | 729,936 | 807,033 | 900,903 |
| Investment revenue | 16,390 | 7,729 | 8,710 | 4,019 | 2,731 | 2,731 | 2,731 | 5,559 | 6,226 | 6,973 |
| Transfers recognised - operational | 397,738 | 320,683 | 375,143 | 320,607 | 409,255 | 409,255 | 409,255 | 355,505 | 401,723 | 473,323 |
| Other own revenue | 613,243 | 238,252 | 190,093 | 484,600 | 460,857 | 460,857 | 460,857 | 567,532 | 703,741 | 687,691 |
| Total Revenue (excluding capital transfers and contributions) | 1,616,253 | 1,249,537 | 1,407,922 | 1,759,289 | 1,816,946 | 1,816,946 | 1,816,946 | 1,964,414 | 2,255,876 | 2,442,228 |
| Employee costs | 297,223 | 368,952 | 392,418 | 431,400 | 411,663 | 411,663 | 411,663 | 468,291 | 523,730 | 566,630 |
| Remuneration of councillors | 15,605 | 16,952 | 19,302 | 20,111 | 20,911 | 20,911 | 20,911 | 22,061 | 23,186 | 24,322 |
| Depreciation & asset impairment | 196,892 | 283,437 | 292,083 | 288,339 | 283,839 | 283,839 | 283,839 | 291,149 | 323,798 | 365,641 |
| Finance charges | 18,822 | 35,870 | 44,463 | 42,168 | 27,592 | 27,592 | 27,592 | 48,339 | 46,331 | 51,079 |
| Materials and bulk purchases | 211,512 | 300,328 | 372,330 | 420,387 | 422,945 | 422,945 | 422,945 | 461,094 | 502,679 | 547,855 |
| Transfers and grants | - | - | - | - | 20,150 | 20,150 | 20,150 | 45,005 | 47,972 | 51,061 |
| Other expenditure | 560,899 | 456,150 | 549,770 | 500,849 | 547,055 | 547,055 | 547,055 | 504,806 | 527,677 | 562,649 |
| Total Expenditure | 1,300,953 | 1,461,688 | 1,670,366 | 1,703,255 | 1,734,156 | 1,734,156 | 1,734,156 | 1,840,745 | 1,995,373 | 2,169,236 |
| Surplus/(Deficit) | 315,300 | (212,152) | (262,445) | 56,035 | 82,790 | 82,790 | 82,790 | 123,669 | 260,503 | 272,992 |
| Transfers recognised - capital | - | - | - | - | - | - | - | - | - | - |
| Contributions recognised - capital & contributed a | - | - | - | - | - | - | - | - | - | - |
| Surplus/(Deficit) after capital transfers & contributions | 315,300 | (212,152) | (262,445) | 56,035 | 82,790 | 82,790 | 82,790 | 123,669 | 260,503 | 272,992 |
| Share of surplus/ (deficit) of associate | - | - | - | - | - | - | - | - | - | - |
| Surplus/(Deficit) for the year | 315,300 | (212,152) | (262,445) | 56,035 | 82,790 | 82,790 | 82,790 | 123,669 | 260,503 | 272,992 |
| Capital expenditure & funds sources | | | | | | | | | | |
| Capital expenditure | 853,380 | 299,529 | 204,321 | 541,568 | 523,096 | 523,096 | 523,096 | 597,286 | 645,729 | 739,719 |
| Transfers recognised - capital | 584,563 | 128,676 | 90,336 | 321,281 | 314,662 | 314,662 | 314,662 | 336,199 | 426,194 | 389,913 |
| Public contributions & donations | 15,593 | 5,143 | 2,886 | 4,500 | 9,346 | 9,346 | 9,346 | 9,000 | - | - |
| Borrowing | 130,940 | 70,140 | 33,130 | 137,330 | 59,971 | 59,971 | 59,971 | 87,541 | 10,437 | 81,347 |
| Internally generated funds | 122,284 | 97,287 | 68,597 | 78,457 | 139,117 | 139,117 | 139,117 | 164,545 | 209,098 | 268,459 |
| Total sources of capital funds | 853,380 | 301,246 | 194,948 | 541,568 | 523,096 | 523,096 | 523,096 | 597,286 | 645,729 | 739,719 |
| Financial position | | | | | | | | | | |
| Total current assets | 271,198 | 147,130 | 141,558 | 217,264 | 211,570 | 211,570 | 211,570 | 304,322 | 390,025 | 510,851 |
| Total non current assets | 5,598,191 | 5,583,796 | 5,478,023 | 6,061,789 | 5,701,544 | 5,701,544 | 5,701,544 | 5,700,273 | 5,967,011 | 6,207,742 |
| Total current liabilities | 573,033 | 499,937 | 587,428 | 184,593 | 240,532 | 240,532 | 240,532 | 208,560 | 203,677 | 202,145 |
| Total non current liabilities | 148,712 | 329,815 | 393,423 | 459,311 | 336,261 | 336,261 | 336,261 | 388,057 | 384,063 | 379,869 |
| Community wealth/Equity | 5,147,644 | 4,901,174 | 4,638,729 | 5,635,148 | 5,336,320 | 5,336,320 | 5,336,320 | 5,407,979 | 5,769,297 | 6,136,579 |
| Cash flows | | | | | | | | | | |
| Net cash from (used) operating | (778,927) | 247,384 | 180,315 | 400,448 | 461,107 | 461,107 | 461,107 | 526,771 | 704,672 | 766,368 |
| Net cash from (used) investing | 163,971 | (312,476) | (188,808) | (515,432) | (432,718) | (432,718) | (432,718) | (503,403) | (598,314) | (697,584) |
| Net cash from (used) financing | (8,437) | 137,046 | 28,511 | 204,868 | 51,316 | 51,316 | 51,316 | 72,740 | (19,358) | 53,131 |
| Cash/cash equivalents at the year end | (56,180) | 15,774 | 35,792 | 132,301 | 110,156 | 110,156 | 110,156 | 206,263 | 293,264 | 415,179 |
| Cash backing/surplus reconciliation | | | | | | | | | | |
| Cash and investments available | (44,439) | 38,370 | 49,425 | 151,473 | 151,156 | 151,156 | 151,156 | 246,046 | 333,046 | 454,961 |
| Application of cash and investments | 435,010 | 289,027 | 406,880 | 109,764 | 98,576 | 98,576 | 98,576 | 132,891 | 130,604 | 127,120 |
| Balance - surplus (shortfall) | (479,449) | (250,657) | (357,455) | 41,709 | 52,581 | 52,581 | 52,581 | 113,155 | 202,442 | 327,841 |
| Asset management | | | | | | | | | | |
| Asset register summary (WDV) | 5,585,390 | 5,560,509 | 5,463,757 | 6,042,617 | 5,660,544 | 5,660,544 | 5,660,491 | 5,660,491 | 5,927,229 | 6,167,960 |
| Depreciation & asset impairment | 196,892 | 283,437 | 292,083 | 288,339 | 283,839 | 283,839 | 291,149 | 291,149 | 323,798 | 365,641 |
| Renewal of Existing Assets | 253,869 | 67,866 | 43,869 | 252,877 | 234,405 | 234,405 | 234,405 | 328,673 | 302,840 | 313,071 |
| Repairs and Maintenance | 131,091 | 132,297 | 133,564 | 153,645 | 153,645 | 153,645 | 123,105 | 123,105 | 132,310 | 141,775 |
| Free services | | | | | | | | | | |
| Cost of Free Basic Services provided | 27,813 | 27,813 | 27,813 | 50,764 | 50,764 | 50,764 | 118,881 | 118,881 | 126,874 | 134,951 |
| Revenue cost of free services provided | 120,431 | 120,431 | 120,431 | 152,994 | 152,994 | 152,994 | 348,149 | 348,149 | 357,223 | 366,058 |
| Households below minimum service level | | | | | | | | | | |
| Water: | 48 | 48 | 48 | 57 | 57 | 57 | 60 | 60 | 63 | 66 |
| Sanitation/sew erage: | 31 | 31 | 31 | 35 | 35 | 35 | 37 | 37 | 39 | 40 |
| Energy: | - | - | - | - | - | - | - | - | - | - |
| Refuse: | 22 | 22 | 22 | 37 | 37 | 37 | 39 | 39 | 41 | 28 |

(c) The draft capital projects expenditure budgets for the 2013/2014 – 2015/2016 financial years (annexure 564/2013) as reflected in the table below, be adopted:

MP322 Mbombela - Table A5 Budgeted Capital Expenditure by vote, standard classification and funding

| Vote Description R thousand | Ref 1 | 2009/10 | 2010/11 | 2011/12 | Current Year 2012/13 | | | | 2013/14 Medium Term Revenue & Expenditure Framework | | |
|---|----------|-----------------|-----------------|-----------------|----------------------|-----------------|--------------------|-------------------|---|------------------------|------------------------|
| | | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget | Adjusted Budget | Full Year Forecast | Pre-audit outcome | Budget Year 2013/14 | Budget Year +1 2014/15 | Budget Year +2 2015/16 |
| Capital expenditure - Vote | | | | | | | | | | | |
| Multi-year expenditure <i>to be appropriated</i> | 2 | 474 | – | – | – | 3,275 | 3,275 | 3,275 | – | – | – |
| COUNCIL | | – | – | – | – | – | – | – | – | – | – |
| OFFICE OF COUNCIL | | – | – | – | – | – | – | – | – | – | – |
| OFFICE OF THE CHIEF WHIP | | – | – | – | – | – | – | – | – | – | – |
| PLANNING, PERFORMANCE & MONITORING | | 91 | – | – | 4,870 | 7,532 | 7,532 | 7,532 | 9,200 | 13,100 | 13,000 |
| OFFICE OF THE MUNICIPAL MANAGER | | 1,693 | 1,777 | 1,866 | – | – | – | – | 500 | 300 | 400 |
| OFFICE OF THE DEPUTY MUNICIPAL MANAGER | | – | – | – | – | – | – | – | – | – | – |
| FINANCIAL SERVICES | | 697 | 732 | 769 | 9,500 | 8,200 | 8,200 | 8,200 | 9,450 | 7,650 | 7,200 |
| TRANSVERSAL SERVICES | | – | – | – | – | – | – | – | – | – | – |
| CORPORATE SERVICES | | 1,910 | 2,006 | 2,106 | 5,000 | 5,323 | 5,323 | 5,323 | 12,690 | 13,470 | 8,030 |
| COMMUNITY SERVICES | | 124,044 | 47,246 | 49,608 | 26,367 | 26,237 | 26,237 | 26,237 | 36,439 | 59,522 | 82,787 |
| MUNICIPAL PLANNING & DEVELOPMENT | | 33,381 | 11,050 | 11,603 | 17,050 | 5,424 | 5,424 | 5,424 | 24,890 | 34,431 | 67,360 |
| TECHNICAL SERVICES | | 691,091 | 238,434 | 128,997 | 329,844 | 333,045 | 333,045 | 333,045 | 265,926 | 415,184 | 365,501 |
| 0 | | – | – | – | – | – | – | – | – | – | – |
| 0 | | – | – | – | – | – | – | – | – | – | – |
| 0 | | – | – | – | – | – | – | – | – | – | – |
| Capital multi-year expenditure sub-total | 7 | 853,380 | 301,246 | 194,948 | 392,631 | 389,037 | 389,037 | 389,037 | 359,095 | 543,657 | 544,279 |
| Single-year expenditure <i>to be appropriated</i> | 2 | – | – | – | – | – | – | – | – | – | – |
| COUNCIL | | – | – | – | – | – | – | – | – | – | – |
| OFFICE OF COUNCIL | | – | – | – | 850 | 850 | 850 | 850 | – | – | – |
| OFFICE OF THE CHIEF WHIP | | – | – | – | – | – | – | – | – | – | – |
| PLANNING, PERFORMANCE & MONITORING | | – | – | – | – | – | – | – | 1,500 | – | – |
| OFFICE OF THE MUNICIPAL MANAGER | | – | – | – | – | – | – | – | – | – | – |
| OFFICE OF THE DEPUTY MUNICIPAL MANAGER | | – | – | – | – | – | – | – | – | – | – |
| FINANCIAL SERVICES | | – | – | – | 200 | 200 | 200 | 200 | 3,000 | – | – |
| TRANSVERSAL SERVICES | | – | – | – | – | – | – | – | – | – | – |
| CORPORATE SERVICES | | – | – | – | 1,090 | 1,090 | 1,090 | 1,090 | 2,500 | 1,800 | 2,700 |
| COMMUNITY SERVICES | | – | – | – | 19,140 | 19,140 | 19,140 | 19,140 | 11,500 | 15,000 | 31,000 |
| MUNICIPAL PLANNING & DEVELOPMENT | | – | – | – | 13,250 | 6,736 | 6,736 | 6,736 | 4,000 | – | – |
| TECHNICAL SERVICES | | – | – | – | 114,407 | 106,043 | 106,043 | 106,043 | 215,691 | 85,272 | 161,740 |
| 0 | | – | – | – | – | – | – | – | – | – | – |
| 0 | | – | – | – | – | – | – | – | – | – | – |
| 0 | | – | – | – | – | – | – | – | – | – | – |
| Capital single-year expenditure sub-total | – | – | – | – | 148,937 | 134,059 | 134,059 | 134,059 | 238,191 | 102,072 | 195,440 |
| Total Capital Expenditure - Vote | | 853,380 | 301,246 | 194,948 | 541,568 | 523,096 | 523,096 | 523,096 | 597,286 | 645,729 | 739,719 |
| Capital Expenditure - Standard | | | | | | | | | | | |
| Governance and administration | | 4,865 | 9,100 | 15,172 | 22,970 | 23,574 | 23,574 | 23,574 | 22,140 | 21,120 | 15,230 |
| Executive and council | | 2,166 | – | – | – | 11,800 | 11,800 | 11,800 | – | – | – |
| Budget and treasury office | | 697 | 2,461 | 15,172 | 5,400 | 4,881 | 4,881 | 4,881 | 9,450 | 7,650 | 7,200 |
| Corporate services | | 2,001 | 6,639 | – | 17,570 | 6,893 | 6,893 | 6,893 | 12,690 | 13,470 | 8,030 |
| Community and public safety | | 124,044 | 26,103 | 21,831 | 46,357 | 35,841 | 35,841 | 35,841 | 37,839 | 40,086 | 42,078 |
| Community and social services | | 100,736 | 2,663 | 16,065 | 36,380 | 11,017 | 11,017 | 11,017 | 13,015 | 14,021 | 16,013 |
| Sport and recreation | | – | 13,181 | 134 | 6,000 | 16,283 | 16,283 | 16,283 | 16,283 | 17,097 | 17,097 |
| Public safety | | 23,308 | 10,259 | 5,632 | 3,977 | 8,541 | 8,541 | 8,541 | 8,541 | 8,968 | 8,968 |
| Housing | | – | – | – | – | – | – | – | – | – | – |
| Health | | – | – | – | – | – | – | – | – | – | – |
| Economic and environmental services | | 97,787 | 62,605 | 76,535 | 214,166 | 237,481 | 237,481 | 237,481 | 298,820 | 358,049 | 316,423 |
| Planning and development | | 33,381 | 784 | 1,373 | 18,350 | 11,847 | 11,847 | 11,847 | 12,439 | 12,439 | 12,439 |
| Road transport | | 64,406 | 61,821 | 75,162 | 195,816 | 225,635 | 225,635 | 225,635 | 286,381 | 345,610 | 303,984 |
| Environmental protection | | – | – | – | – | – | – | – | – | – | – |
| Trading services | | 127,222 | 201,721 | 90,783 | 258,075 | 226,199 | 226,199 | 226,199 | 238,487 | 226,474 | 365,988 |
| Electricity | | 28,130 | 58,189 | 22,536 | 56,731 | 47,736 | 47,736 | 47,736 | 40,447 | 23,354 | 53,417 |
| Water | | 99,092 | 100,226 | 42,209 | 130,989 | 90,131 | 90,131 | 90,131 | 147,240 | 171,223 | 244,125 |
| Waste water management | | – | – | – | 50,755 | 83,124 | 83,124 | 83,124 | 35,039 | 6,000 | 18,150 |
| Waste management | | – | 43,306 | 26,039 | 19,600 | 5,208 | 5,208 | 5,208 | 15,761 | 25,897 | 50,297 |
| Other | | 499,462 | – | – | – | – | – | – | – | – | – |
| Total Capital Expenditure - Standard | 3 | 853,380 | 299,529 | 204,321 | 541,568 | 523,096 | 523,096 | 523,096 | 597,286 | 645,729 | 739,719 |
| Funded by: | | | | | | | | | | | |
| National Government | | 578,563 | 128,676 | 90,336 | 321,281 | 314,662 | 314,662 | 314,662 | 336,199 | 426,194 | 389,913 |
| Provincial Government | | 6,000 | – | – | – | – | – | – | – | – | – |
| District Municipality | | – | – | – | – | – | – | – | – | – | – |
| Other transfers and grants | | – | – | – | – | – | – | – | – | – | – |
| Transfers recognised - capital | 4 | 584,563 | 128,676 | 90,336 | 321,281 | 314,662 | 314,662 | 314,662 | 336,199 | 426,194 | 389,913 |
| Public contributions & donations | 5 | 15,593 | 5,143 | 2,886 | 4,500 | 9,346 | 9,346 | 9,346 | 9,000 | – | – |
| Borrowing | 6 | 130,940 | 70,140 | 33,130 | 137,330 | 59,971 | 59,971 | 59,971 | 87,541 | 10,437 | 81,347 |
| Internally generated funds | | 122,284 | 97,287 | 68,597 | 78,457 | 139,117 | 139,117 | 139,117 | 164,545 | 209,098 | 268,459 |
| Total Capital Funding | 7 | 853,380 | 301,246 | 194,948 | 541,568 | 523,096 | 523,096 | 523,096 | 597,286 | 645,729 | 739,719 |

(d) the draft IDP operating projects expenditure budgets for the 2013/2014 – 2015/2016 financial years (**annexure 565/2013**), already provided to councilors under separate cover, summarized per municipal priority as tabulated below, be adopted:

| MUNICIPAL PRIORITY | 2013/2014 BUDGET FORECAST | 2014/2015 BUDGET ESTIMATE | 2015/2016 BUDGET ESTIMATE | Budget % |
|--|---------------------------------|---------------------------------|---------------------------------|-------------|
| Good governance and Public Participation | R 44,116,125 | R 45,760,311 | R 46,451,552 | 45% |
| Intergrated Human Settlements | R 16,922,886 | R 16,364,762 | R 26,750,699 | 17% |
| Waste and Environment Management | R 7,500,000 | R 9,480,000 | R 8,608,000 | 8% |
| Financial management and viability | R 7,320,000 | R 8,152,000 | R 8,700,000 | 7% |
| Economic Development | R 6,244,065 | R 6,959,590 | R 7,780,743 | 6% |
| Revenue Enhancement | R 6,058,000 | R 6,822,480 | R 4,000,000 | 6% |
| Community Development | R 3,100,000 | R 4,900,000 | R 3,910,000 | 3% |
| 2010 Legacy | R 1,700,000 | R 1,750,000 | R 1,800,000 | 2% |
| Water supply | R 1,380,000 | R 1,010,000 | R 550,000 | 1% |
| Rural Development | R 1,208,262 | R 1,304,923 | R 1,172,014 | 1% |
| Road Infrastructure development and Stormwater | R 1,000,000 | R 1,420,000 | R 1,464,000 | 1% |
| Sanitation/Sewer | R 805,508 | R 850,000 | R 922,569 | 1% |
| Electricity Supply and Management | R 500,000 | R - | R - | 1% |
| Grand Total | R 97,904,846 | R 104,864,066 | R 112,116,577 | 100% |

(e) the draft annual budget for the financial year 2013/2014, indicative allocations for the two projected outer years, 2014/2015 and 2015/2016 and the multi- year and single year capital appropriations as set-out in the new budget and reporting regulations **annexure 566/2013** be approved:

- Budgeted Financial Performance (revenue and expenditure by standard classification)
- Budgeted Financial Performance (revenue and expenditure by municipal vote)
- Budgeted Financial Performance (revenue by source and expenditure by type)
- Multi-year and single year capital appropriations by municipal vote and standard classification and associated funding by source;

(f) the financial position, cash flow, cash-backed reserve/accumulated surplus, asset management and basic service delivery targets as set out in the new budget and reporting regulations in the following tables and in **annexure 566/2013**, be approved:

- Budgeted financial position
- Budgeted cash flows
- Cash backed reserves and accumulated surplus reconciliation
- Asset management
- Basic service delivery measurement;

(g) in terms of sections 24(2)(c)(i) and (ii) of the Municipal Finance Management Act, 56 of 2003, sections 74 and 75A of the Local Government: Municipal Systems Act, 32 of 2000, as amended and the Municipal Property Rates Act, 06 of 2004, the tariffs for the supply of water, electricity, waste services, sanitation services and property rates as set out below, that were used to prepare the estimates of revenue by source, be approved for implementation with effect from 1 July 2013:

| Description | 2009/10 | 2010/11 | 2011/12 | 2012/13 | 2013/14 | 2014/15 | 2015/16 |
|---|---------|---------|---------|---------|---------|---------|---------|
| Electricity | 31.27% | 19.0% | 20.38% | 12.0% | 8.0% | 8.0% | 8.0% |
| Water | 8.0% | 7.0% | 8.0% | 9.75% | 8.0% | 8.0% | 8.0% |
| Sewer | 8.0% | 6.0% | 8.0% | 9.75% | 8.0% | 8.0% | 8.0% |
| Refuse Removal | 9.0% | 8.0% | 10.0% | 10.25% | 9.5% | 9.75% | 9.5% |
| Property Rates | 0.0% | 3.0% | 5.0% | 6.5% | 6.5% | 6.8% | 6.2% |
| Other tariffs | 10.0% | 6.0% | 10.0% | 11.0% | 12.0% | 12.0% | 12.0% |
| Sembcorp/Silulumanzi Water and Sewerage | 10.99% | 14.42% | 9.74% | 10.42% | | | |

(h) the free basic services package as set out below, be adopted for the medium - term 2013/2014 – 2015/2016 years:

MP322 Mbombela - Table A10 Basic service delivery measurement

| Description | Ref | 2009/10 | 2010/11 | 2011/12 | Current Year 2012/13 | | | 2013/14 Medium Term Revenue & Expenditure Framework | | |
|--|-----|---------|---------|---------|----------------------|-----------------|--------------------|---|------------------------|------------------------|
| | | Outcome | Outcome | Outcome | Original Budget | Adjusted Budget | Full Year Forecast | Budget Year 2013/14 | Budget Year +1 2014/15 | Budget Year +2 2015/16 |
| Household service targets | 1 | | | | | | | | | |
| <i>Water:</i> | | | | | | | | | | |
| Piped water inside dwelling | | 58 | 58,014 | 58,014 | 72 | 71,933 | 71,933 | 75,530 | 79,306 | 83,271 |
| Piped water inside yard (but not in dwelling) | | 68 | 68,362 | 68,362 | 87 | 87,331 | 87,331 | 91,698 | 96,282 | 101,097 |
| Using public tap (at least min.service level) | 2 | 47 | 46,874 | 46,874 | 49 | 49,217 | 49,217 | 51,678 | 54,262 | 56,975 |
| Other water supply (at least min.service level) | 4 | 6 | 6,498 | 6,498 | 7 | 6,823 | 6,823 | 7,164 | 7,522 | 7,898 |
| <i>Minimum Service Level and Above sub-total</i> | | 179,748 | 179,748 | 179,748 | 215,304 | 215,304 | 215,304 | 226,069 | 237,373 | 249,241 |
| Using public tap (< min.service level) | 3 | 47 | 46,874 | 46,874 | 56 | 56,387 | 56,387 | 59,206 | 62,167 | 65,275 |
| Other water supply (< min.service level) | 4 | – | – | – | – | – | – | – | – | – |
| No water supply | | 1 | 688 | 688 | 1 | 565 | 565 | 593 | 623 | 654 |
| <i>Below Minimum Service Level sub-total</i> | | 47,562 | 47,562 | 47,562 | 56,952 | 56,952 | 56,952 | 59,800 | 62,790 | 65,929 |
| Total number of households | 5 | 227,310 | 227,310 | 227,310 | 272,256 | 272,256 | 272,256 | 285,869 | 300,162 | 315,170 |
| <i>Sanitation/sewerage:</i> | | | | | | | | | | |
| Flush toilet (connected to sewerage) | | 59 | 59,123 | 59,123 | 78 | 77,667 | 77,667 | 81,550 | 85,628 | 89,909 |
| Flush toilet (with septic tank) | | 4 | 4,123 | 4,123 | 1 | 749 | 749 | 749 | 749 | 749 |
| Chemical toilet | | 7 | 7,287 | 7,287 | 9 | 8,731 | 8,731 | 9,168 | 9,626 | 10,107 |
| Pit toilet (ventilated) | | 99 | 99,493 | 99,493 | 117 | 116,705 | 116,705 | 122,540 | 128,667 | 135,101 |
| Other toilet provisions (> min.service level) | | – | – | – | – | – | – | – | – | – |
| <i>Minimum Service Level and Above sub-total</i> | | 170,026 | 170,026 | 170,026 | 203,852 | 203,852 | 203,852 | 214,007 | 224,670 | 235,866 |
| Bucket toilet | | – | – | – | – | – | – | – | – | – |
| Other toilet provisions (< min.service level) | | 20 | 19,922 | 19,922 | 23 | 23,202 | 23,202 | 24,362 | 25,580 | 26,859 |
| No toilet provisions | | 11 | 10,814 | 10,814 | 12 | 11,732 | 11,732 | 12,319 | 12,935 | 13,581 |
| <i>Below Minimum Service Level sub-total</i> | | 30,736 | 30,736 | 30,736 | 34,934 | 34,934 | 34,934 | 36,681 | 38,515 | 40,440 |
| Total number of households | 5 | 200,762 | 200,762 | 200,762 | 238,786 | 238,786 | 238,786 | 250,688 | 263,185 | 276,307 |
| <i>Energy:</i> | | | | | | | | | | |
| Electricity (at least min.service level) | | 5 | 5,498 | 5,498 | 7 | 7,077 | 7,077 | 7,431 | 7,802 | 8,193 |
| Electricity - prepaid (min.service level) | | 0 | 178 | 178 | – | – | – | – | – | – |
| <i>Minimum Service Level and Above sub-total</i> | | 5,676 | 5,676 | 5,676 | 7,077 | 7,077 | 7,077 | 7,431 | 7,802 | 8,193 |
| Electricity (< min.service level) | | | | | | | | | | |
| Electricity - prepaid (< min. service level) | | | | | | | | | | |
| Other energy sources | | | | | | | | | | |
| <i>Below Minimum Service Level sub-total</i> | | – | – | – | – | – | – | – | – | – |
| Total number of households | 5 | 5,676 | 5,676 | 5,676 | 7,077 | 7,077 | 7,077 | 7,431 | 7,802 | 8,193 |
| <i>Refuse:</i> | | | | | | | | | | |
| Removed at least once a week | | | | | | | | | | |
| <i>Minimum Service Level and Above sub-total</i> | | – | – | – | – | – | – | – | – | – |
| Removed less frequently than once a week | | 10 | 9,744 | 9,744 | 15 | 15,281 | 15,281 | 16,045 | 16,847 | 17,690 |
| Using communal refuse dump | | 2 | 2,121 | 2,121 | 7 | 7,416 | 7,416 | 7,787 | 8,176 | 409 |
| Using own refuse dump | | 5 | 5,234 | 5,234 | 7 | 6,804 | 6,804 | 7,144 | 7,501 | 375 |
| Other rubbish disposal | | – | – | – | – | – | – | – | – | – |
| No rubbish disposal | | 5 | 4,500 | 4,500 | 8 | 7,938 | 7,938 | 8,335 | 8,752 | 9,189 |
| <i>Below Minimum Service Level sub-total</i> | | 21,599 | 21,599 | 21,599 | 37,439 | 37,439 | 37,439 | 39,311 | 41,276 | 27,663 |
| Total number of households | 5 | 21,599 | 21,599 | 21,599 | 37,439 | 37,439 | 37,439 | 39,311 | 41,276 | 27,663 |
| Households receiving Free Basic Service | 7 | | | | | | | | | |
| Water (6 kilolitres per household per month) | | 6 | 5,625 | 5,625 | 10 | 10,215 | 10,215 | 85,584 | 85,584 | 85,584 |
| Sanitation (free minimum level service) | | 6 | 5,625 | 5,625 | 10 | 10,215 | 10,215 | 85,584 | 85,584 | 85,584 |
| Electricity/other energy (50kwh per household per month) | | 6 | 5,625 | 5,625 | 10 | 10,215 | 10,215 | 13,703 | 13,703 | 13,703 |
| Refuse (removed at least once a week) | | 1 | 1,219 | 1,219 | 2 | 10,215 | 10,215 | 13,703 | 13,703 | 13,703 |
| Cost of Free Basic Services provided (R'000) | 8 | – | – | – | 39,323 | 39,323 | 39,323 | 111,354 | 118,871 | 126,472 |
| Water (6 kilolitres per household per month) | | 21,778 | 21,778 | 21,778 | 39,323 | 39,323 | 39,323 | – | – | – |
| Sanitation (free sanitation service) | | – | – | – | – | – | – | – | – | – |
| Electricity/other energy (50kwh per household per month) | | 4,500 | 4,500 | 4,500 | 9,271 | 9,271 | 9,271 | 7,528 | 8,003 | 8,478 |
| Refuse (removed once a week) | | 1,535 | 1,535 | 1,535 | 2,170 | 2,170 | 2,170 | – | – | – |
| Total cost of FBS provided (minimum social packa | | 27,813 | 27,813 | 27,813 | 50,764 | 50,764 | 50,764 | 118,881 | 126,874 | 134,951 |
| Highest level of free service provided | | | | | | | | | | |
| Property rates (R value threshold) | | 80,000 | 80,000 | 80,000 | 80,000 | 80,000 | 80,000 | 80,000 | 80,000 | 80,000 |
| Water (kilolitres per household per month) | | 6 | 6 | 6 | 6 | 6 | 6 | 6 | 6 | 6 |
| Sanitation (kilolitres per household per month) | | 6 | 6 | 6 | 6 | 6 | 6 | 6 | 6 | 6 |
| Sanitation (Rand per household per month) | | 50 | 50 | 50 | 50 | 50 | 50 | 50 | 50 | 50 |
| Electricity (kwh per household per month) | | | | | | | | | | |
| Refuse (average litres per week) | | | | | | | | | | |
| Revenue cost of free services provided (R'000) | 9 | | | | | | | | | |
| Property rates (R15 000 threshold rebate) | | 3,019 | 3,019 | 3,019 | 4,981 | 4,981 | 4,981 | 5,304 | 5,649 | 6,016 |
| Property rates (other exemptions, reductions and rebates) | | 77,651 | 77,651 | 77,651 | 108,690 | 108,690 | 108,690 | 128,128 | 136,857 | 145,325 |
| Water | | 32,198 | 32,198 | 32,198 | 39,323 | 39,323 | 39,323 | 170,483 | 170,483 | 170,483 |
| Sanitation | | 581 | 581 | 581 | | | | | | |
| Electricity/other energy | | 5,355 | 5,355 | 5,355 | | | | 44,233 | 44,233 | 44,233 |
| Refuse | | 1,627 | 1,627 | 1,627 | | | | | | |
| Municipal Housing - rental rebates | | | | | | | | | | |
| Housing - top structure subsidies | | | | | | | | | | |
| Other | | | | | | | | | | |
| Total revenue cost of free services provided (total social package) | | 120,431 | 120,431 | 120,431 | 152,994 | 152,994 | 152,994 | 348,149 | 357,223 | 366,058 |

- (i) it be noted that the draft capital budget for 2013/2014 does not include any projects to be rolled-over from the 2012/2013 financial year;
- (j) the Municipal Manager endeavor to expedite the processing of the application for the borrowing of R150 million submitted to the Development Bank of Southern Africa in June 2012, which funding will be utilized for the upgrade of the Karino bulk water scheme and other capital projects adopted as per recommendation (c) above;
- (k) the Municipal Manager engage the Department of Water and Environmental Affairs regarding the Regional Bulk Infrastructure Grant amounting to R35 million allocated for the next two financial years, to be included in the funding of the MEGA bulk water infrastructure implementation programme;
- (l) council resolution A(1)(a) of 1 July 2011 be rescinded to allow the reinstatement and completion of section 78 of the Local Government: Municipal Systems Act, 32 of 2000 feasibility study within three years with regard to water and sanitation services in the eastern areas of Mbombela;
- (m) the Municipal Manager ensures that the appointment of the Mpumalanga Economic Growth Agency (MEGA) as per the Mpumalanga Provincial Executive Committee decision is done in accordance with the Local Government: Municipal Finance Management Act, 56 of 2003 and its Supply Chain Management Regulations;
- (n) Sembcorp/ Silulumanzi be afforded an opportunity to make a presentation to the Mayoral Committee with regard to their proposed increase for the 2013/2014 financial year and a report on the outcome of the presentation be submitted to Council at its next meeting.

1.3 EXECUTIVE SUMMARY

The application of sound budget and financial management principles for the compilation of the Municipality's financial plan is essential and critical to ensure that the Municipality remains financially viable and that municipal services are provided sustainably, economically and equitably to all communities.

The Municipality's business and service delivery priorities were reviewed as part of this year's planning and budget process. Where appropriate, funds were transferred from low- to high-priority programmes so as to maintain sound financial stewardship.

The Municipality has embarked on implementing a range of revenue collection strategies to optimize the collection of debt owed by consumers and also promulgating its credit control and debt collection policy into a by law.

National Treasury's MFMA Circular No. 51, 54, 55, 58, 59, 66 and 67 were used to guide the compilation of the draft 2013/2014 – 2015/2016 annual budget and MTREF. The planning of the budget involved consideration of all factors, which had far reaching implications on the annual budget of the municipality.

The 2013/2014 – 2014/2015 budget and medium-term revenue and expenditure framework was prepared on the basis of the following priorities, guidelines and assumptions

1.3.1 National priorities- Expanding public sector investment infrastructure

The key priorities in the local government and housing function are the provision of basic services such as water and sanitation, human settlements development and local government infrastructure.

In addition, creating decent employment opportunities remains a national priority and the municipality need to continue to explore opportunities to mainstream labour intensive approaches to delivering services, and more particularly to participate fully in the Expanded Public Works Programme.

The municipal developmental priorities as tabulated in below are in line with the national and provincial priorities indicated above;

- (a) Water supply;
- (b) Road infrastructure development and storm water;
- (c) Electricity supply and management;
- (d) Integrated human settlement;
- (e) Good governance and public participation;
- (f) Sanitation/sewerage;
- (g) Community development;
- (h) Rural development;
- (i) Economic development;
- (j) Waste and environment management;
- (k) Financial management and viability;
- (l) Public transport;
- (m) 2010 legacy; and
- (n) Revenue enhancement.

1.3.2 Economic outlook and forecasts - headline inflation and gross domestic products forecasts

Despite the global economy weaknesses and projected to be likely to remain so for at least a few more year, the South African economic growth outlook in 2012 to 2015 is expected to be as follows;

Headline inflation forecast over the medium-term

| Description | 2011 Actual | 2012 Estimate | 2013 Forecast | 2014 Forecast | 2015 Forecast |
|-----------------|-------------|---------------|---------------|---------------|---------------|
| Real GDP Growth | 3.1% | 2.5% | 3.0% | 3.6% | 3.8% |

The consumer price inflation is expected to stay within the 3 to 6 per cent inflation target band over the forecast period. The forecasted headline inflation for medium-term will be as follows;

| Description | 2011 Actual | 2012 Estimate | 2013 Forecast | 2014 Forecast | 2015 Forecast |
|---------------|-------------|---------------|---------------|---------------|---------------|
| CPI Inflation | 5.6% | 5.6% | 5.6% | 5.4% | 5.4% |

And therefore the general nominal rate increase on the costs and prices of commodities and services will be as follows in the medium-term (determined using the following International Fischer Effect formula);

$$(1+rn) = (1+rr)(1+i)-1$$

rn = Nominal rate

rr = Real rate

i = Inflation (CPI)

Calculation of the general nominal rate increase over the medium-term:

2013/2014 financial year: $(1+rn) = (1+0.030)(1+0.056) - 1 = 8.77\%$

2014/2015 financial year: $(1+rn) = (1+0.036)(1+0.054) - 1 = 9.19\%$

2015/2016 financial year: $(1+rn) = (1+0.038)(1+0.054) - 1 = 9.41\%$

1.3.3 Micro or internal environment perspective

Furthermore from a micro or internal environment perspective, the situation in the municipality requires intervention in the following areas as highlighted during the 2012/2013 adjustments budget tabling and this challenges need to be further addressed in the 2013/2014 – 2015/2016 budget and medium-term revenue and expenditure framework;

- (a) Prevalence of unfavourable financial performance results which in the past two financial years has been deficits or losses for 2010/2011 and 2011/2012 respectively have been incurred;
- (b) Improvement of the liquidity (cash) position which has been deteriorating in the past two financial years by putting mechanisms in place that would bring financial stability and sustainability over the medium-term;
- (c) Redesign the services charge tariffs and fees charges to reflect the cost of providing such services to ensure tariffs and fees are fair, equitable and affordable to the user of the services;
- (d) Review and implementation of the revised revenue enhancement strategy which must incorporate the recommendations of the revenue management indaba held in September 2012;
- (e) Re-establish a cash backed capital replacement reserve so that the cost of future renewal and replacement of infrastructure and other assets can be funded from the internal reserve;

- (f) Develop mechanisms for the proper budgeting for repairs and maintenance of the existing infrastructure and other assets;
- (g) Investigate and implement mechanisms of expanding the income base of the municipality taking from the municipal council resolution taken on 31 May 2012 of introducing a flat rate charge in the peri-urban and rural households;
- (h) Redesign of the medium to long-term capital programme funding mix consisting of internal generated funds, grants allocations, borrowings etc.;
- (i) Addressing of bottlenecks with regard to under performance in relation to implementation of capital projects resulting in underspending of budget allocations relative to eradication of services infrastructure backlogs which has been the case in the three financial years;
- (j) Review and re-engineer the supply chain management processes together with the financial delegations and promote transparency to supply chain management processes;
- (k) Strengthen governance and oversight measures to prevent underperformance, and fight fraud and corruption;
- (l) Improve the image of the municipality through sound leadership which must be demonstrated by measures to be put in place to address mismanagement by implementing effective systems to measure, monitor and evaluate performance;
- (m) Institute policies and processes to prevent unauthorised, irregular, and wasteful and fruitless expenditure; and
- (n) The heavy rain experienced since beginning of 2012/2013 financial year causing extensive damages to the municipal infrastructure and local community wellbeing.

1.3.4 Revenue enhancement assumptions

(a) Grants allocations

The total grants allocated to the municipality in terms of the 2013 Division of Revenue Bill (DoRA) amounts R2 592 billion over the medium-term, reflecting an increase of R702 million (37%) and the total allocation for 2014/2015 budget year is R746 million. The total grant in-kind allocation over the medium-term amounts to R177 million.

The unconditional grants allocation increased by R169 million (16%) to R1 229 billion over the medium-term and the allocation for 2013/2014 budget year amounts to R354 million.

The conditional grants allocation increased by R533 million (64%) to R1 362 billion over the medium-term and the allocation for 2013/2014 budget year amounts to R391 million.

The 2013 DoRA introduces a new grant namely; the Municipal Water Infrastructure Grant to be administered by the Department of Water Affairs. The grant is aimed at accelerating the delivery of clean water to communities that do not have access to basic water services. The grant provides funding for municipalities to plan and implement various projects; including the construction of new infrastructure and the refurbishment and extension of existing water schemes.

(b) Revising of rates, tariffs and other charges

When the municipality revise its rates, tariffs and other charges for the 2013/2014 budgets and MTREF, it need to take into account the labour (i.e. the wage agreements with unions) and other input costs of services provided by the municipality, the need to ensure financial sustainability, local economic conditions and the affordability of services, taking into consideration the municipality's indigent policy.

National Treasury continues to encourage municipalities to keep increases in rates, tariffs and other charges at levels that reflect an appropriate balance between the interests of poor households, other customers and ensuring the financial sustainability of the municipality.

To ensure the municipality continue to efficiently deliver services, eradicate backlogs in term of services and social infrastructure, maintain, upgrade and renewal of the existing infrastructure as well as ensuring financial stability and long-term sustainability, the increase of rates, tariffs and other charges over the medium-term is proposed to be as follows;

| Description | 2009/10 | 2010/11 | 2011/12 | 2012/13 | 2013/14 | 2014/15 | 2015/16 |
|---|---------|---------|---------|---------|---------|---------|---------|
| Electricity | 31.27% | 19.0% | 20.38% | 12.0% | 8.0% | 8.0% | 8.0% |
| Water | 8.0% | 7.0% | 8.0% | 9.75% | 8.0% | 8.0% | 8.0% |
| Sewer | 8.0% | 6.0% | 8.0% | 9.75% | 8.0% | 8.0% | 8.0% |
| Refuse Removal | 9.0% | 8.0% | 10.0% | 10.25% | 9.5% | 9.75% | 9.5% |
| Property Rates | 0.0% | 3.0% | 5.0% | 6.5% | 6.5% | 6.8% | 6.2% |
| Other tariffs | 10.0% | 6.0% | 10.0% | 11.0% | 12.0% | 12.0% | 12.0% |
| Sembcorp/Silulumanzi Water and Sewerage | 10.99% | 14.42% | 9.74% | 10.42% | | | |

The average increase on rates and service charge tariffs for 2013/2014 will be 8.0% and 8.02% over the medium-term.

(i) Eskom bulk tariff increases

The Eskom price of bulk electricity supplied to municipalities will increase by 9% per cent on 1 July 2013. The municipality needs to examine the cost structure of their electricity undertakings and apply to NERSA for electricity tariff increases that are cost reflective and ensure continued financial sustainability.

(ii) Water and sanitation tariffs must be cost-reflective

We need to review the level and structure of their water and sanitation tariffs carefully with a view to ensuring:

- Water and sanitation tariffs are on aggregate fully cost-reflective – including the bulk cost of water, the cost of maintenance and renewal of purification/treatment plants and network infrastructure, and the cost of new infrastructure;
- Water and sanitation tariffs are structured to protect basic levels of service; and
- Water and sanitation tariffs are designed to encourage efficient and sustainable consumption (e.g. through inclining block tariffs).

If a municipality's water and sanitation tariffs are not fully cost reflective, the municipality should develop a pricing strategy to phase-in the necessary tariff increases in a manner that spreads the impact on consumers over a period of time. However, all municipalities should aim to have appropriately structured, cost-reflective water and sanitation tariffs in place by 2014, as prescribed in MFMA Circular 58.

To mitigate the need for water tariff increases, municipalities must put in place an appropriate strategy to limit water losses to acceptable levels.

(iii) Solid waste tariffs

The municipality should aim to have appropriately structured, cost-reflective solid waste tariffs in place by 2015, as prescribed in MFMA Circular 58. The tariffs for solid waste management must take into account that it is good practice to maintain a cash-backed reserve to cover the future costs of rehabilitating landfill sites.

(iv) The ability of the municipality to collect revenue

The payment level trend for the past three years and the forecast for the next mid-term, including current financial year estimate is as follows;

| Description | Actual 2009/10 | Actual 2010/11 | Actual 2011/12 | Estimate 2012/13 | Estimate 2013/14 | Forecast 2014/15 | Forecast 2015/16 |
|----------------|----------------|----------------|----------------|------------------|------------------|------------------|------------------|
| Payment Levels | 85% | 97% | 90% | 93% | 93% | 93% | 94% |

The set target for collection of revenue over the medium-term on current account for rates and services charge is as outlined on the table above and the collection on outstanding debt is an average of 12% per annum or 1% per month.

1.3.5 Operating expenditure guidelines and assumptions

The operating expenditure will increase by an average of 6.1% in 2013/14, 9% in 2013/14, 8.4% in 2014/15 and 8.9% in 2015/16 with an exception of key cost or expenditure drivers stated on the table below;

| DESCRIPTION | % ADJUSTMENT |
|------------------------------------|---|
| Salaries, Wages And Allowances | <ul style="list-style-type: none"> 6.95% increase during 2013/14 and 3.8% of the increase on employees cost is allocated for critical vacant posts. 6.5% general increase during 2014/15 and 5.3% of the increase on employees cost is allocated for critical vacant posts. 6.4% increase during 2014/15 and 2.3% of the increase on employees cost is allocated for critical vacant posts. The above increases are in line with the Wage Collective agreement for 2012 – 2015. |
| Remuneration of Councilors | 5.6%, 5.4% and 5.4% increases for 2013/14, 2014/15 and 2015/16 financial year respectively. |
| General Expenditure: Bulk Purchase | NERSA has given Eskom increase of 9% over the medium-term. |
| General Expenditure | 5.7% average increase over the medium-term. |
| Interest on external loan | Will depend on the funding model council will approve for the financing of capital expenditure over the next five years. |
| Contracted services | 7.3% average increase over the medium-term. |
| Other Materials | 8.2% average increase over the medium-term |
| Provision for doubtful debts | 7% Provision for doubtful debts on rates and services |

| | |
|--|--|
| | charge in line with the projected payment level. |
|--|--|

1.3.6 Capital expenditure over the medium-term

The funding of the capital expenditure will be sourced from conditional grants allocations, external loans (borrowings) and internal reserves. The availability of the internal reserves will largely depend on the collection of outstanding debts over the medium-term.

The leverage of financial pressure or burden of the current ratepayers and users of municipal services will have to be considered so that the cost of infrastructure development and renewal should be evenly spread to future ratepayers and users of the municipal services and not burden the current ratepayers and user of municipal services with huge tariff increases as it is not sustainable.

And therefore there is a need to consider during the medium-term of funding part of the municipal infrastructure development programme through long-term borrowings. The funds to be obtained from these sources should be earmarked for new, upgrade, refurbishment, replacement and renewal of revenue generating infrastructure so that the municipality is able to generate sufficient revenue to service and repay the loans when they become due.

| Capital Expenditure Funding Comparison: | | 2013/14 | 2014/15 | 2015/16 |
|---|--|----------------|---------------|----------------|
| No Borrowing | | R 467,165,810 | R 595,541,745 | R 542,880,530 |
| Borrowing | | R 570,272,518 | R 645,472,316 | R 739,718,787 |
| Additional - Borrowing Option | | -R 103,106,708 | -R 49,930,571 | -R 196,838,257 |

1.3.7 Financial Indicators

| Financial Indicators: | Norms | 2012/13 | 2013/14 | 2014/15 | 2015/16 |
|---|--------|---------|---------|---------|---------|
| Employees Cost (% to Total revenue less conditional grants revenue) | <30% | 29% | 30% | 30% | 29% |
| Finance Charges (% to Total operating expenditure) | 5%-15% | 2% | 2% | 2% | 2% |
| Repairs and Maintenance (% to Total P&E) | >5% | 3% | 3% | 3% | 3% |
| Repairs and Maintenance (% to Total Operating Expenditure) | >8% | 9% | 9% | 9% | 9% |
| Non Current Liabilities to Total Operating Revenue % | <45% | 18% | 16% | 14% | 12% |
| Total Debt to Total Operating Revenue (less conditional grants) | <45% | 40% | 45% | 43% | 45% |
| Debt Payment Service Costs to Revenue (less conditional grants) | 5%-15% | 4% | 3% | 3% | 2% |

1.3.8 Provision of free basic services provision to the indigent households

The Indigent Policy of the municipality as approved by Council in 2003 is in line with the National Policy on provision of Free Basic Services with its objective of providing free access to basic services to the poor and enhancing the fight against poverty. This policy is being reviewed to be in line with the requirements proposed by the National Department of Cooperative Governance and Traditional Affairs on an annual basis

The following assumptions were also taken into consideration towards the provision of free basic services;

- (a) Reducing the impact of poverty through free basic service provision;

- (b) Protecting the poor from the harsh economic realities; and
- (c) Expansion of the current free basic services provision by providing Free Alternative Basic Energy.

The municipality will be offering the following free basic services:

| | |
|---------------------------|--|
| Free Basic Water | 6kl per month |
| Free Basic Electricity | 50kW per month |
| Free Basic refuse removal | 100 % subsidy on tariff |
| Rebate on property rates | Rebates ranging from 25% to 100% and first R80 000.00 market value being 100% exempted from rates. |
| Free Basic Sewer | 6kl per month |

1.4 Renewal, Repairs and Maintenance of existing assets in accordance with MFMA circular 66

The allocation of funds in the budget for renewal of existing assets should not be less than 40 per cent of the capital expenditure budget in order to secure the ongoing health of the municipality's infrastructure supported by reference to its asset management plan.

The allocation of funds for repairs and maintenance on the operating expenditure budget should not be less than 8 per cent of the budget.

1.5 Elimination of non- priority spending in accordance with MFMA circular 66

Measures should be put in to control of unnecessary spending on nice to have items and non-essential activities. The following examples of non-priority expenditure need to be eliminated:

- (a) Excessive sponsorship of music festivals, beauty pageants and sporting events, including the purchase of tickets to events for councillors and/or officials;
- (b) Public relations projects and activities that are not centred on actual service delivery or are not a municipal function (e.g. celebrations; gala dinners; commemorations, advertising and voter education);
- (c) LED projects that serve the narrow interests of only a small number of beneficiaries or fall within the mandates of other government departments such as the Department of Agriculture;
- (d) Excessive catering for meetings and other events, including the use of public funds to buy alcoholic beverages;
- (e) Arranging workshops and events at expensive private venues, especially ones outside the municipality (as opposed to using the municipality's own venues);
- (f) Excessive printing costs (instead of maximising the use of the municipality's website, including providing facilities for the public to access the website);
- (g) Excessive luxurious office accommodation and office furnishings;
- (h) Foreign travel by mayors, councillors and officials, particularly 'study tours';
- (i) Excessive councillors and staff perks such as luxurious mayoral cars and houses, notebooks, IPADS and cell-phone allowances; travel and subsistence allowances. Municipalities are reminded that in terms of section 7 (1) of the Remuneration of Public Office-bearers Act, 1998 (Act No.20 of 1998) the Minister for Cooperative Governance and Traditional Affairs must determine the limit of salaries and allowances of the different members of municipal councils and any budget provision may not be outside this framework;
- (j) Excessive staff in the office of the mayor – particularly the appointment of political 'advisors' and 'spokespersons';

- (k) All donations to individuals that are not made in terms of the municipality's indigent policy or a bursary scheme; for instance donations to cover funeral costs (other than pauper burials which is a district municipality function);
- (l) Costs associated with long-standing staff suspensions and the legal costs associated with not following due process when suspending or dismissing staff, as well as payment of severance packages or 'golden handshakes'; and
- (m) The use of consultants to perform routine management tasks, and the payment of excessive fees to consultants.

1.6 Six key financial strategies to turnaround financial situation

The six financial strategies to turnaround the financial situation of the municipality need to be finalise through a thorough consultative process to be undertaken between March and May 2013 in order to be ready for implementation on 01 July 2013.

The strategies as adopted by council on 28 February 2013 are as follows;

- (a) Revenue enhancement strategy – It entails implementation of mechanisms that will address and perfect the bottlenecks and weaknesses on the revenue management value chain in order to enhance revenue collection.
- (b) Cash management model – It entails implementation of a model that will manage cashflow to narrow or completely close cashflow gaps most often created by lagging behind of cash inflows from outflows.
- (c) Cost management strategy – It entails implementation of processes and systems to identify, allocate, control and manage key cost drivers linked to primary activities (water, sanitation, electricity, waste management, roads and stormwater, and parks and recreational facilities). And ensure all tariffs and fees for services charge (water, sanitation, electricity and waste management) are cost-reflective.
- (d) Development levy strategy – It entails implementation of a proportional flat rate levy system that will provide the municipality with a new revenue stream.
- (e) Asset management model – It entails implementation of a model that will provide the bases for determination of funds that should be set aside on an annual basis for the building of cash reserves (Capital replacement reserve) over a period of ten years for the renewal and replacement of redundant infrastructure and other assets such as motor vehicles, trucks etc. And it will also assist with the allocation of funds on the annual budget for the repairs and maintenance, renewal and replacement of assets.
- (f) Borrowing Strategy – It entails implementation of capital programme funding mix and leveraging of the funding of capital expenditure from grants and internal generated reserves by sourcing funding from financiers such as commercial banks, development financing institutions etc. With the intention to ensure fast tracking of implementation of infrastructure development programmes as well as to ensure affordability of rates and tariff charges, and to achieve a financial sustainability over a long run.

2. OPERATING REVENUE FRAMEWORK

The operating revenue framework over the medium-term will be as tabulated below;

| Description R thousand | Ref 1 | 2009/10 | 2010/11 | 2011/12 | Current Year 2012/13 | | | | 2013/14 Medium Term Revenue & Expenditure Framework | | |
|---|----------|-----------------|-----------------|-----------------|----------------------|-----------------|--------------------|-------------------|---|------------------------|------------------------|
| | | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget | Adjusted Budget | Full Year Forecast | Pre-audit outcome | Budget Year 2013/14 | Budget Year +1 2014/15 | Budget Year +2 2015/16 |
| Revenue By Source | | | | | | | | | | | |
| Property rates | 2 | 187,192 | 197,865 | 245,816 | 281,185 | 280,934 | 280,934 | 280,934 | 305,881 | 337,153 | 373,338 |
| Property rates - penalties & collection charges | | - | - | - | - | - | - | - | - | - | - |
| Service charges - electricity revenue | 2 | 328,997 | 400,935 | 494,837 | 565,108 | 561,001 | 561,001 | 561,001 | 615,726 | 679,984 | 759,052 |
| Service charges - water revenue | 2 | 18,176 | 25,647 | 25,751 | 28,744 | 27,521 | 27,521 | 27,521 | 31,570 | 34,824 | 38,506 |
| Service charges - sanitation revenue | 2 | 12,657 | 12,644 | 14,827 | 17,214 | 15,805 | 15,805 | 15,805 | 17,364 | 19,169 | 21,218 |
| Service charges - refuse revenue | 2 | 41,861 | 45,782 | 52,745 | 57,813 | 58,843 | 58,843 | 58,843 | 65,277 | 73,057 | 82,127 |
| Service charges - other | | - | - | - | - | - | - | - | - | - | - |
| Rental of facilities and equipment | | 1,412 | 26,496 | 16,431 | 19,441 | 16,538 | 16,538 | 16,538 | 18,523 | 20,746 | 23,235 |
| Interest earned - external investments | | 16,390 | 7,729 | 8,710 | 4,019 | 2,731 | 2,731 | 2,731 | 5,559 | 6,226 | 6,973 |
| Interest earned - outstanding debtors | | 24,027 | 18,625 | 19,309 | 18,954 | 22,095 | 22,095 | 22,095 | 24,747 | 27,716 | 31,042 |
| Dividends received | | - | - | - | - | - | - | - | - | - | - |
| Fines | | 3,023 | 3,079 | 2,982 | 3,742 | 3,198 | 3,198 | 3,198 | 3,582 | 4,012 | 4,493 |
| Licences and permits | | 9 | 7 | 6 | 5,299 | 138 | 138 | 138 | 44 | 50 | 56 |
| Agency services | | 20,137 | 20,663 | 22,676 | 87,272 | 87,537 | 87,537 | 87,537 | 106,653 | 119,452 | 133,786 |
| Transfers recognised - operational | | 397,738 | 320,683 | 375,143 | 320,607 | 409,255 | 409,255 | 409,255 | 355,505 | 401,723 | 473,323 |
| Other revenue | 2 | 564,371 | 164,256 | 128,689 | 349,893 | 330,536 | 330,536 | 330,536 | 411,483 | 530,366 | 493,511 |
| Gains on disposal of PPE | | 263 | 5,126 | - | - | 814 | 814 | 814 | 2,500 | 1,400 | 1,568 |
| Total Revenue (excluding capital transfers and contributions) | | 1,616,253 | 1,249,537 | 1,407,922 | 1,759,289 | 1,816,946 | 1,816,946 | 1,816,946 | 1,964,414 | 2,255,876 | 2,442,228 |

In line with the formats prescribed by the Municipal Budget and Reporting Regulations, capital transfers and contributions are excluded from the operating statement, as inclusion of these revenue sources would distort the calculation of the operating surplus/deficit.

The municipality will receive most of its revenue from service charge (electricity, water, sewerage and refuse removal services) amounting to R730 million indicating an increase of R67 million (9.8%) in 2013/2014 financial year and increases to R901 million over the medium-term. The revenue from electricity service charge remains relatively high at R616 million (31%) of the total operating revenue budget and other services charge contributes 5.8%.

The revenue from property rates will amount to R306 million after taking into account rates rebates in terms of the rates policy amounting to R133 million in 2013/2014 financial year and increases to R373 million over the medium-term. The property rates revenue contributes about 16% of the total operating revenue budget.

Operating grants allocation comprising of equitable share and other small grants contributes 18% to the total operating revenue budget and will amount to R356 million in 2012/2013 financial year.

Revenue to be recognised from conditional grants after the grants have been utilized for the intended purpose will amount to R391 million, contributing 20% to the total operating revenue budget.

The following table gives a breakdown of the various operating and capital grants and subsidies and in kind-allocations to the municipality over the medium term:

| MBOMBELA LOCAL MUNICIPALITY GRANT | Actual 2008/2009 | Actual 2009/2010 | Actual 2010/2011 | Actual 2011/2012 | Actual 2012/2013 | Estimate 2013/2014 | Forecast 2014/2015 | Forecast 2015/2016 |
|---|---------------------|---------------------|---------------------|---------------------|---------------------|-----------------------|-----------------------|-----------------------|
| OPERATING GRANT | | | | | | | | |
| Equitable Share | 151,160,410 | 198,405,906 | 247,674,576 | 282,081,000 | 312,298,000 | 342,190,000 | 388,559,000 | 460,251,000 |
| Municipal Systems Improvement Grant (MSIG) | 735,000 | 1,300,000 | 750,000 | 790,000 | 800,000 | 890,000 | 934,000 | 967,000 |
| Financial Management Grant (FMG) | 500,000 | 750,000 | 1,000,000 | 1,250,000 | 1,500,000 | 1,550,000 | 1,600,000 | 1,650,000 |
| Water Service Operating Grant | 26,548,000 | 33,146,000 | 15,207,000 | 14,650,000 | 6,009,000 | 9,180,000 | 10,630,000 | 10,455,000 |
| TOTAL OPERATIONAL ALLOCATION | 178,943,410 | 233,601,906 | 264,631,576 | 298,771,000 | 320,607,000 | 353,810,000 | 401,723,000 | 473,323,000 |
| Growth (%) | | 31% | 13% | 13% | 7% | 10% | 14% | 18% |
| CAPITAL GRANTS | | | | | | | | |
| Municipal Infrastructure Grant (MIG) | 62,212,000 | 136,093,000 | 127,087,000 | 155,031,000 | 188,062,000 | 241,164,000 | 286,275,000 | 310,268,000 |
| Municipal Water Infrastructure Grant (MWIG) | | | | | | 7,660,000 | 19,151,000 | 38,302,000 |
| Neighbourhood Development Partnership Grant | - | 8,976,000 | 3,500,000 | - | - | 5,000,000 | - | - |
| Public Transport Infrastructure and Systems Grant | 170,544,000 | 50,833,000 | 105,000,000 | 45,000,000 | 98,703,000 | 123,762,000 | 195,191,000 | 100,217,000 |
| Intergated National Electrification Programme | 49,320,000 | 23,794,000 | 1,220,000 | - | - | 8,050,000 | 5,000,000 | 15,000,000 |
| 2010 Host City Operating Grant | - | 55,845,626 | - | - | - | - | - | - |
| 2010 World Cup Stadium | 390,537,229 | 2,489,022 | - | - | - | - | - | - |
| Electricity Demand Side Management | 12,100,000 | 12,100,000 | 8,000,000 | - | 5,000,000 | 5,000,000 | - | 2,005,000 |
| TOTAL CAPITAL ALLOCATION | 684,713,229 | 290,130,648 | 244,807,000 | 200,031,000 | 291,765,000 | 390,636,000 | 505,617,000 | 465,792,000 |
| Growth (%) | | -58% | -16% | -18% | 46% | 34% | 29% | 9% |
| Expanded Public Works Programme | - | 740,903 | 1,201,697 | 2,867,000 | 2,954,000 | 1,695,000 | - | - |
| TOTAL ALLOCATION | - | 740,903 | 1,201,697 | 2,867,000 | 2,954,000 | 1,695,000 | - | - |
| TOTAL ALLOCATIONS | 863,656,639 | 524,473,457 | 510,640,273 | 501,669,000 | 615,326,000 | 746,141,000 | 907,340,000 | 939,115,000 |
| Growth (%) | | -39% | -3% | -2% | 23% | 21% | 22% | -3% |
| IN-KIND ALLOCATIONS | | | | | | | | |
| Regional Bulk Infrastructure | | 27,712,262 | 20,960,000 | | 3,000,000 | 10,000,000 | 25,000,000 | - |
| Intergated National Electrification Programme | | | | | 14,204,000 | 40,276,000 | 42,628,000 | 55,000,000 |
| Water Services Operating Subsidy | | | | | 300,000 | 300,000 | 300,000 | 300,000 |
| Neighbourhood Development Partnership Grant | | | | | 1,000,000 | 1,000,000 | 1,000,000 | 1,000,000 |
| TOTAL IN-KIND ALLOCATION | 27,712,262 | 20,960,000 | - | 17,504,000 | 51,576,000 | 68,928,000 | 56,300,000 | |

Tariff-setting is a pivotal and strategic part of the compilation of any budget. When rates, tariffs and other charges were revised, wage agreements with unions (Labour), input costs of services provided by the municipality, local economic conditions and the affordability of services taking into consideration the municipality's indigent policy were taken into consideration.

The percentage increases of both Eskom and SembCorp (Silulumanzi) Water bulk tariffs are far beyond the mentioned inflation target. Given that these tariff increases are determined by external agencies, the impact they have on the municipality's electricity and in these tariffs are largely outside the control of the municipality. Discounting the impact of these price increases in lower consumer tariffs will erode the Municipality's future financial position and viability.

It must also be appreciated that the consumer price index, as measured by CPI, is not a good measure of the cost increases of goods and services relevant to municipalities. The basket of goods and services utilised for the calculation of the CPI consist of items such as food, petrol and medical services, whereas the cost drivers of a municipality are informed by items such as the cost of remuneration, bulk purchases of electricity and water, petrol, diesel, chemicals, cement etc. The current challenge facing the Municipality is managing the gap between cost drivers and tariffs levied, as any shortfall must be made up by either operational efficiency gains or service level reductions.

Overall impact of tariff increases on households

The following table shows the overall expected impact of the tariff increases on a large and small household, as well as an indigent household receiving free basic services.

| Description | Ref | 2009/10 | 2010/11 | 2011/12 | Current Year 2012/13 | | | 2013/14 Medium Term Revenue & Expenditure Framework | | | |
|---|-----------|-----------------|-----------------|-----------------|----------------------|-----------------|--------------------|---|---------------------|------------------------|------------------------|
| | | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget | Adjusted Budget | Full Year Forecast | Budget Year 2013/14 % incr. | Budget Year 2013/14 | Budget Year +1 2014/15 | Budget Year +2 2015/16 |
| Rand/cent | | | | | | | | | | | |
| Monthly Account for Household - 'Middle Income Range' | 1 | | | | | | | | | | |
| Rates and services charges: | | | | | | | | | | | |
| Property rates | | 383.89 | 395.44 | 407.05 | 268.79 | 268.79 | 268.79 | 6.5% | 286.26 | 304.87 | 324.68 |
| Electricity: Basic levy | | 87.00 | 80.00 | — | | | | | | | |
| Electricity: Consumption | | 689.66 | 860.50 | 930.00 | 1,043.50 | 1,043.50 | 1,043.50 | 8.0% | 1,126.98 | 1,217.14 | 1,314.51 |
| Water: Basic levy | | 44.13 | 47.66 | 51.50 | 56.55 | 56.55 | 56.55 | 8.0% | 61.07 | 65.96 | 71.24 |
| Water: Consumption | | 204.26 | 221.28 | 240.00 | 263.52 | 263.52 | 263.52 | 8.0% | 284.60 | 307.37 | 331.96 |
| Sanitation | | 240.00 | 254.40 | 219.60 | 85.45 | 85.45 | 85.45 | 8.0% | 92.29 | 99.67 | 107.64 |
| Refuse removal | | 88.31 | 97.14 | 107.00 | 117.97 | 117.97 | 117.97 | 9.5% | 129.18 | 141.77 | 155.24 |
| Other | sub-total | | | — | | | | | | | |
| VAT on Services | | 1,737.25 | 1,956.42 | 1,955.15 | 1,835.78 | 1,835.78 | 1,835.78 | 7.9% | 1,980.38 | 2,136.78 | 2,305.27 |
| Total large household bill: | | 1,737.25 | 1,956.42 | 1,955.15 | 1,835.78 | 1,835.78 | 1,835.78 | 7.9% | 1,980.38 | 2,136.78 | 2,305.27 |
| % increase/-decrease | | | | 12.6% | (0.1%) | (6.1%) | — | — | 7.9% | 7.9% | 7.9% |
| Monthly Account for Household - 'Affordable Range' | 2 | | | | | | | | | | |
| Rates and services charges: | | | | | | | | | | | |
| Property rates | | 18.82 | 39.49 | 290.75 | 182.08 | 182.08 | 182.08 | 6.5% | 193.92 | 206.52 | 219.94 |
| Electricity: Basic levy | | — | 105.96 | — | | | | | | | |
| Electricity: Consumption | | 370.86 | 364.61 | 385.00 | 444.50 | 444.50 | 444.50 | 8.0% | 480.06 | 518.46 | 559.94 |
| Water: Basic levy | | — | 47.66 | 51.50 | 56.36 | 56.36 | 56.36 | 8.0% | 60.86 | 65.73 | 70.99 |
| Water: Consumption | | 162.26 | 175.29 | 190.00 | 208.62 | 208.62 | 208.62 | 8.0% | 225.31 | 243.33 | 262.80 |
| Sanitation | | 152.00 | 235.40 | 173.85 | 85.45 | 85.45 | 85.45 | 8.0% | 92.29 | 99.67 | 107.64 |
| Refuse removal | | 28.31 | 98.04 | 107.00 | 117.97 | 117.97 | 117.97 | 9.5% | 129.18 | 141.77 | 155.24 |
| Other | sub-total | | | — | | | | | | | |
| VAT on Services | | 732.25 | 1,066.45 | 1,198.10 | 1,094.98 | 1,094.98 | 1,094.98 | 7.9% | 1,181.61 | 1,275.49 | 1,376.56 |
| Total small household bill: | | 732.25 | 1,066.45 | 1,198.10 | 1,094.98 | 1,094.98 | 1,094.98 | 7.9% | 1,181.61 | 1,275.49 | 1,376.56 |
| % increase/-decrease | | | | 45.6% | 12.3% | (8.6%) | — | — | 7.9% | 7.9% | 7.9% |
| Monthly Account for Household - 'Indigent' | 3 | | | | | | | | | | |
| Household receiving free basic services | | | | | | | | | | | |
| Rates and services charges: | | | | | | | | | | | |
| Property rates | | 18.82 | 19.40 | 174.45 | 185.79 | 185.79 | 185.79 | 6.5% | 101.58 | 108.18 | 115.21 |
| Electricity: Basic levy | | — | — | — | — | — | — | | | | |
| Electricity: Consumption | | 44.68 | 36.62 | 31.50 | — | — | — | 8.0% | 268.92 | 290.43 | 313.67 |
| Water: Basic levy | | — | — | — | — | — | — | 8.0% | — | — | — |
| Water: Consumption | | — | — | 140.00 | 154.32 | 154.32 | 154.32 | 8.0% | 166.00 | 179.28 | 193.62 |
| Sanitation | | 88.31 | 97.14 | 128.10 | 141.20 | 141.20 | 141.20 | 8.0% | — | — | — |
| Refuse removal | | | | — | — | — | — | 9.5% | — | — | — |
| Other | sub-total | | | — | — | — | — | | | | |
| VAT on Services | | 151.81 | 153.16 | 474.05 | 481.30 | 481.30 | 481.30 | 11.5% | 536.50 | 577.89 | 622.50 |
| Total small household bill: | | 18.62 | | | | | | | | | |
| % increase/-decrease | | 170.43 | 153.16 | 474.05 | 481.30 | 481.30 | 481.30 | 11.5% | 536.50 | 577.89 | 622.50 |
| | | | | (10.1%) | 209.5% | 1.5% | — | — | 11.5% | 7.7% | 7.7% |

3. OPERATING EXPENDITURE FRAMEWORK

The Municipality's expenditure framework for the 2013/14 budget and MTREF is informed by the following:

- (a) Balanced budget constraint (operating expenditure should not exceed operating revenue) unless there are existing uncommitted cash-backed reserves to fund any deficit;
- (b) Funding of the budget over the medium-term as informed by Section 18 and 19 of the MFMA;
- (c) The capital programme is aligned to the IDP priorities.
- (d) Operational gains and efficiencies will be directed to funding the capital budget and other core services; and
- (e) Strict adherence to the principle of *no project plans no budget*. If there is no business plan no funding allocation can be made.

The following table is a high level summary of the 2013/14 budget and MTREF (classified per main type of operating expenditure):

| Description | Ref | 2009/10 | 2010/11 | 2011/12 | Current Year 2012/13 | | | | 2013/14 Medium Term Revenue & Expenditure Framework | | | | |
|---------------------------------|------|-----------|-----------|-----------|----------------------|-----------------|-----------------|-----------------|---|--------------------|-------------------|---------------------|------------------------|
| | | | | | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget | Adjusted Budget | Full Year Forecast | Pre-audit outcome | Budget Year 2013/14 | Budget Year +1 2014/15 |
| R thousand | 1 | | | | | | | | | | | | |
| <u>Expenditure By Type</u> | | | | | | | | | | | | | |
| Employee related costs | 2 | 297,223 | 368,952 | 392,418 | 431,400 | 411,663 | 411,663 | 411,663 | 468,291 | 523,730 | 566,630 | | |
| Remuneration of councilors | | 15,605 | 16,952 | 19,302 | 20,111 | 20,911 | 20,911 | 20,911 | 22,061 | 23,186 | 24,322 | | |
| Debt impairment | 3 | 51,063 | 8,993 | 55,364 | 76,009 | 70,737 | 70,737 | 70,737 | 72,507 | 68,651 | 76,454 | | |
| Depreciation & asset impairment | 2 | 196,892 | 283,437 | 292,083 | 288,339 | 283,839 | 283,839 | 283,839 | 291,149 | 323,798 | 365,641 | | |
| Finance charges | | 18,822 | 35,870 | 44,463 | 42,168 | 27,592 | 27,592 | 27,592 | 48,339 | 46,331 | 51,079 | | |
| Bulk purchases | 2 | 211,512 | 300,328 | 372,330 | 380,728 | 382,598 | 382,598 | 382,598 | 418,014 | 456,111 | 497,681 | | |
| Other materials | 8 | - | - | - | 39,660 | 40,347 | 40,347 | 40,348 | 43,080 | 46,568 | 50,174 | | |
| Contracted services | | 174,467 | 174,125 | 165,087 | 51,996 | 192,564 | 192,564 | 192,564 | 82,554 | 88,478 | 94,551 | | |
| Transfers and grants | | - | - | - | - | 20,150 | 20,150 | 20,150 | 45,005 | 47,972 | 51,061 | | |
| Other expenditure | 4, 5 | 335,370 | 273,032 | 326,821 | 372,843 | 283,754 | 283,754 | 283,754 | 349,746 | 370,548 | 391,644 | | |
| Loss on disposal of PPE | | - | - | 2,497 | - | - | - | - | - | - | - | | |
| Total Expenditure | | 1,300,953 | 1,461,688 | 1,670,366 | 1,703,255 | 1,734,156 | 1,734,156 | 1,734,156 | 1,840,745 | 1,995,373 | 2,169,236 | | |

The main operating expenditure drivers are;

The employees' remuneration cost will be R468 million in 2013/2014 financial year due to an increase of R57 million (13.8%) and the expenditure to the total operating revenue budget, excluding conditional grants is 30%. The employees remuneration cost will increase to R567 million in 2015/2016 financial year and the expenditure to the total operating budget will be 29%. Included in the employees remuneration cost budget is amount of R53 million for filling critical vacant posts, especially in Service Delivery Departments over the medium-term as per the implementation of the new organizational structure approved by council, under item A(65) of 27 October 2011.

The bulk purchase expenditure is mainly expenditure for bulk electricity purchase from Eskom and will increase to R418 million due to an average increase of 9% granted to Eskom by the National Energy Regulator of South Africa, the increase will come into effect from 01 July 2013.

The depreciation cost will be R291 million make up 16% of the total operating expenditure and is about 5% of the total assets carrying value of R5 321 billion. The depreciation costs represent the rate at which the assets of the municipality are utilized in rendering services and therefore the cost should be provided for/included on the budget to ensure the current ratepayers and users of the municipal services are able to contribute towards the refurbishment, upgrade and renewal of the assets.

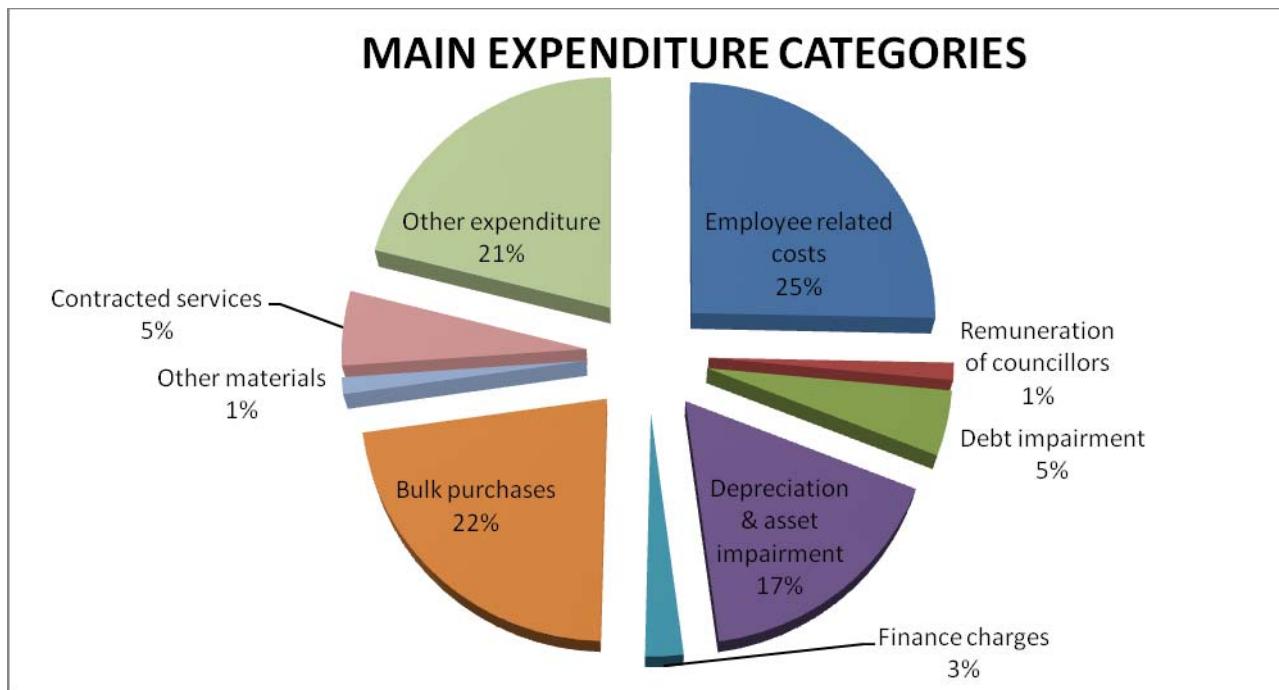
The other expenditure increases by 31% to R372 million in 2013/2014 and the overall increase over the medium-term is R134 million (47%) to R418 million in 2015/2016 financial year. The increase on the other expenditure is due to the allocation of R98 million and in total R315 million for funding of operational programmes in line with the municipal development priorities and breakdown of the total expenditure for operating programmes per municipal development priorities is as tabulated below;

Due to inadequate payment of municipal accounts, provision has been made for impairment of debts amounting to R73 million in 2013/2014 financial year. The provision for debt impairment represents about 7% of the total revenue to be generated from property rates and services charge such as electricity, water, refuse removal and sewerage.

The municipality has allocated an amount of R148 million in the 2013/2014 financial year for provision of free basic services. The following free basic services will be provided in accordance with the criteria set on the indigent policy of the municipality;

| MUNICIPAL PRIORITY | 2013/2014 BUDGET FORECAST | 2014/2015 BUDGET ESTIMATE | 2015/2016 BUDGET ESTIMATE | Budget % |
|--|---------------------------------|---------------------------------|---------------------------------|-------------|
| Good governance and Public Participation | R 44,116,125 | R 45,760,311 | R 46,451,552 | 45% |
| Intergated Human Settlements | R 16,922,886 | R 16,364,762 | R 26,750,699 | 17% |
| Waste and Environment Management | R 7,500,000 | R 9,480,000 | R 8,608,000 | 8% |
| Financial management and viability | R 7,320,000 | R 8,152,000 | R 8,700,000 | 7% |
| Economic Development | R 6,244,065 | R 6,959,590 | R 7,780,743 | 6% |
| Revenue Enhancement | R 6,058,000 | R 6,822,480 | R 4,000,000 | 6% |
| Community Development | R 3,100,000 | R 4,900,000 | R 3,910,000 | 3% |
| 2010 Legacy | R 1,700,000 | R 1,750,000 | R 1,800,000 | 2% |
| Water supply | R 1,380,000 | R 1,010,000 | R 550,000 | 1% |
| Rural Development | R 1,208,262 | R 1,304,923 | R 1,172,014 | 1% |
| Road Infrastructure development and Stormwater | R 1,000,000 | R 1,420,000 | R 1,464,000 | 1% |
| Sanitation/Sewer | R 805,508 | R 850,000 | R 922,569 | 1% |
| Electricity Supply and Management | R 500,000 | R - | R - | 1% |
| Grand Total | R 97,904,846 | R 104,864,066 | R 112,116,577 | 100% |

The following graph gives a breakdown of the main expenditure categories for the 2013/14 financial year as a percentage:

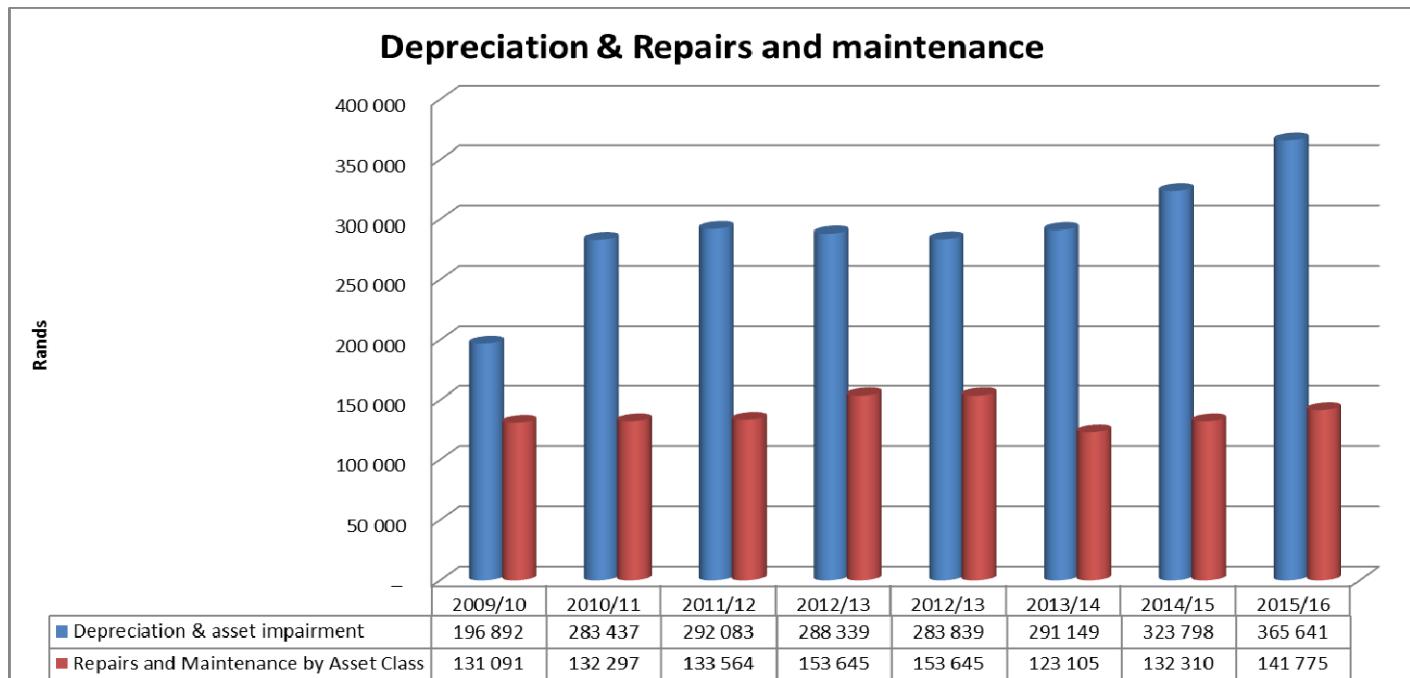


During the compilation of the 2013/14 MTREF, operational repairs and maintenance was identified as a strategic imperative owing to the aging of the Municipality's infrastructure and historic deferred maintenance. To this end, the municipality is still having a challenge in separating the portion of employee related cost for repairs and maintenance; as a result this allocation is part of the overall employee related cost for council.

The table below provides a breakdown of the repairs and maintenance in relation to asset class:

| Description R thousand | Ref 1 | 2009/10 | 2010/11 | 2011/12 | Current Year 2012/13 | | | 2013/14 Medium Term Revenue & Expenditure Framework | | |
|---|----------|-----------------|-----------------|-----------------|----------------------|-----------------|--------------------|---|------------------------|------------------------|
| | | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget | Adjusted Budget | Full Year Forecast | Budget Year 2013/14 | Budget Year +1 2014/15 | Budget Year +2 2015/16 |
| Repairs and maintenance expenditure by Asset Class/Sub-class | | | | | | | | | | |
| Infrastructure | | 107,397 | 107,888 | 108,404 | 117,981 | 117,981 | 117,981 | 76,968 | 82,667 | 88,523 |
| Infrastructure - Road transport | | 48,307 | 48,307 | 48,307 | 36,842 | 36,842 | 36,842 | 47,187 | 50,655 | 54,216 |
| Roads, Pavements & Bridges | | 34,949 | 34,949 | 34,949 | 27,330 | 27,330 | 27,330 | 35,438 | 37,996 | 40,619 |
| Storm water | | 13,358 | 13,358 | 13,358 | 9,513 | 9,513 | 9,513 | 11,748 | 12,659 | 13,597 |
| Infrastructure - Electricity | | 25,046 | 25,046 | 25,046 | 29,027 | 29,027 | 29,027 | 23,582 | 25,348 | 27,165 |
| Generation | | 13,594 | 13,594 | 13,594 | 21,524 | 21,524 | 21,524 | 23,582 | 25,348 | 27,165 |
| Transmission & Reticulation | | – | – | – | – | – | – | – | – | – |
| Street Lighting | | 11,452 | 11,452 | 11,452 | 7,503 | 7,503 | 7,503 | – | – | – |
| Infrastructure - Water | | 13,452 | 13,452 | 13,452 | 22,165 | 22,165 | 22,165 | 2,131 | 2,294 | 2,462 |
| Dams & Reservoirs | | – | – | – | – | – | – | – | – | – |
| Water purification | | 13,452 | 13,452 | 13,452 | 22,165 | 22,165 | 22,165 | 2,131 | 2,294 | 2,462 |
| Reticulation | | – | – | – | – | – | – | – | – | – |
| Infrastructure - Sanitation | | 10,767 | 10,767 | 10,767 | 14,528 | 14,528 | 14,528 | 2,131 | 2,294 | 2,462 |
| Reticulation | | – | – | – | – | – | – | – | – | – |
| Sewerage purification | | 10,767 | 10,767 | 10,767 | 14,528 | 14,528 | 14,528 | 2,131 | 2,294 | 2,462 |
| Infrastructure - Other | | 9,824 | 10,315 | 10,831 | 15,417 | 15,417 | 15,417 | 1,937 | 2,076 | 2,219 |
| Waste Management | | 8,400 | 8,820 | 9,261 | 12,542 | 12,542 | 12,542 | 1,937 | 2,076 | 2,219 |
| Transportation | | – | – | – | – | – | – | – | – | – |
| Gas | | – | – | – | – | – | – | – | – | – |
| Other | | 1,424 | 1,495 | 1,570 | 2,875 | 2,875 | 2,875 | – | – | – |
| Community | | 14,307 | 15,022 | 15,773 | 28,076 | 28,076 | 28,076 | 10,955 | 11,757 | 12,581 |
| Parks & gardens | | 288 | 302 | 317 | 525 | 525 | 525 | 6,618 | 7,093 | 7,580 |
| Sportsfields & stadia | | 5,829 | 6,120 | 6,426 | 4,822 | 4,822 | 4,822 | 892 | 956 | 1,021 |
| Swimming pools | | 352 | 370 | 389 | 525 | 525 | 525 | – | – | – |
| Community halls | | 85 | 90 | 94 | 92 | 92 | 92 | – | – | – |
| Libraries | | 658 | 691 | 726 | 985 | 985 | 985 | – | – | – |
| Recreational facilities | | 155 | 163 | 171 | 215 | 215 | 215 | – | – | – |
| Fire, safety & emergency | | 390 | 409 | 429 | 895 | 895 | 895 | – | – | – |
| Security and policing | | 2,352 | 2,470 | 2,594 | 12,352 | 12,352 | 12,352 | 1,720 | 1,859 | 2,003 |
| Buses | | – | – | – | – | – | – | – | – | – |
| Clinics | | – | – | – | – | – | – | – | – | – |
| Museums & Art Galleries | | – | – | – | – | – | – | – | – | – |
| Cemeteries | | 2,352 | 2,470 | 2,593 | 3,852 | 3,852 | 3,852 | – | – | – |
| Social rental housing | | – | – | – | – | – | – | – | – | – |
| Other | | 1,845 | 1,937 | 2,034 | 3,812 | 3,812 | 3,812 | 1,725 | 1,849 | 1,976 |
| Heritage assets | | – | – | – | – | – | – | – | – | – |
| Buildings | | – | – | – | – | – | – | – | – | – |
| Other | | – | – | – | – | – | – | – | – | – |
| Investment properties | | – | – | – | – | – | – | – | – | – |
| Housing development | | – | – | – | – | – | – | – | – | – |
| Other | | – | – | – | – | – | – | – | – | – |
| Other assets | | 9,387 | 9,387 | 9,387 | 7,588 | 7,588 | 7,588 | 35,182 | 37,885 | 40,671 |
| General vehicles | | – | – | – | – | – | – | 28,983 | 31,241 | 33,571 |
| Specialised vehicles | | – | – | – | – | – | – | – | – | – |
| Plant & equipment | | 4,273 | 4,273 | 4,273 | 2,752 | 2,752 | 2,752 | 1,058 | 1,134 | 1,211 |
| Computers - hardware/equipment | | – | – | – | – | – | – | – | – | – |
| Furniture and other office equipment | | 735 | 735 | 735 | 206 | 206 | 206 | – | – | – |
| Abattoirs | | – | – | – | – | – | – | – | – | – |
| Markets | | – | – | – | – | – | – | – | – | – |
| Civic Land and Buildings | | 4,379 | 4,379 | 4,379 | 4,630 | 4,630 | 4,630 | 5,141 | 5,510 | 5,889 |
| Other Buildings | | – | – | – | – | – | – | – | – | – |
| Other Land | | – | – | – | – | – | – | – | – | – |
| Surplus Assets - (Investment or Inventory) | | – | – | – | – | – | – | – | – | – |
| Other | | – | – | – | – | – | – | – | – | – |
| Agricultural assets | | – | – | – | – | – | – | – | – | – |
| List sub-class | | – | – | – | – | – | – | – | – | – |
| Biological assets | | – | – | – | – | – | – | – | – | – |
| List sub-class | | – | – | – | – | – | – | – | – | – |
| Intangibles | | – | – | – | – | – | – | – | – | – |
| Computers - software & programming | | – | – | – | – | – | – | – | – | – |
| Other (list sub-class) | | – | – | – | – | – | – | – | – | – |
| Total Repairs and Maintenance Expenditure | 1 | 131,091 | 132,297 | 133,564 | 153,645 | 153,645 | 153,645 | 123,105 | 132,310 | 141,775 |
| Specialised vehicles | | – | – | – | – | – | – | – | – | – |
| Refuse | | – | – | – | – | – | – | – | – | – |
| Fire | | – | – | – | – | – | – | – | – | – |
| Conservancy | | – | – | – | – | – | – | – | – | – |
| Ambulances | | – | – | – | – | – | – | – | – | – |
| R&M as % of PPE | | 2.5% | 2.5% | 2.6% | 2.7% | 2.9% | 2.9% | 2.3% | 2.4% | 2.4% |
| R&M as % Operating Expenditure | | 10.1% | 9.1% | 8.0% | 9.0% | 8.9% | 8.9% | 6.7% | 6.6% | 6.5% |

For the 2013/14 financial year, 62% or (R77 million) of total repairs and maintenance by asset class will be spent on infrastructure assets. Roads infrastructure has received a significant proportion of this allocation totaling 38% (R47 million), followed by Electricity totaling 19% (R24 million), infrastructure - other assets has been allocated 29% (R35 million) of total repairs and maintenance, Community at 9% (R11 million), water at 1.7% (R2 million), sanitation is at 1.7% (R2 million).



Free basic services: basic social services package

The social package assists households that are poor or face other circumstances that limit their ability to pay for services. To receive these free services the households are required to register in terms of the Municipality's Indigent Policy. The target is to register 13 703 or more indigent households during the 2013/14 financial year, a process reviewed annually. Details relating to free services, cost of free basis services, revenue lost owing to free basic services as well as basic service delivery measurement are contained in Table A10 (Basic Service Delivery Measurement).

The cost of the social package of the registered indigent households is largely financed by national government through the local government equitable share received in terms of the annual Division of Revenue Act.

4 CAPITAL EXPENDITURE

The following table provides a breakdown of budgeted capital expenditure by vote: 2013/14 Medium-term capital budget per vote:

| Vote Description | 2009/10 | 2010/11 | 2011/12 | Current Year 2012/13 | | | | 2013/14 Medium Term Revenue & Expenditure Framework | | | |
|---|----------------|----------------|----------------|----------------------|-----------------|-----------------|-----------------|---|-------------------|---------------------|------------|
| | | | | Audited Outcome | Audited Outcome | Original Budget | Adjusted Budget | Full Year Forecast | Pre-audit outcome | Budget Year 2013/14 | |
| R thousand | | | | | | | | | | +1 2014/15 | +2 2015/16 |
| Capital expenditure - Vote | | | | | | | | | | | |
| Multi-year expenditure to be appropriated | | | | | | | | | | | |
| COUNCIL | 474 | - | - | - | - | 3 275 | 3 275 | 3 275 | - | - | - |
| PLANNING, PERFORMANCE & MONITORING | 91 | - | - | 4 870 | 7 532 | 7 532 | 7 532 | 9 200 | 13 100 | 13 000 | |
| OFFICE OF THE MUNICIPAL MANAGER | 1 693 | 1 777 | 1 886 | - | - | - | - | - | - | - | |
| OFFICE OF THE DEPUTY MUNICIPAL MANAGER | - | - | - | - | - | - | - | 500 | 300 | 400 | |
| FINANCIAL SERVICES | 897 | 732 | 789 | 9 500 | 8 200 | 8 200 | 8 200 | 9 450 | 7 650 | 7 200 | |
| CORPORATE SERVICES | 1 910 | 2 026 | 2 106 | 5 000 | 5 323 | 5 323 | 5 323 | 12 890 | 13 470 | 8 030 | |
| COMMUNITY SERVICES | 124 044 | 47 246 | 49 608 | 26 367 | 26 237 | 26 237 | 26 237 | 36 438 | 59 522 | 82 787 | |
| MUNICIPAL PLANNING & DEVELOPMENT | 33 381 | 11 050 | 11 603 | 17 050 | 5 424 | 5 424 | 5 424 | 24 890 | 34 431 | 87 380 | |
| TECHNICAL SERVICES | 691 031 | 238 424 | 128 987 | 329 844 | 333 045 | 333 045 | 333 045 | 265 926 | 415 184 | 365 501 | |
| Capital multi-year expenditure sub-total | 853 380 | 301 246 | 194 948 | 392 631 | 389 037 | 389 037 | 389 037 | 359 095 | 543 657 | 544 278 | |
| Single-year expenditure to be appropriated | | | | | | | | | | | |
| COUNCIL | - | - | - | 850 | 850 | 850 | 850 | - | - | - | |
| PLANNING, PERFORMANCE & MONITORING | - | - | - | - | - | - | - | 1 500 | - | - | |
| FINANCIAL SERVICES | - | - | - | 200 | 200 | 200 | 200 | 3 000 | - | - | |
| CORPORATE SERVICES | - | - | - | 1 090 | 1 090 | 1 090 | 1 090 | 2 500 | 1 800 | 2 700 | |
| COMMUNITY SERVICES | - | - | - | 19 40 | 19 140 | 19 140 | 19 140 | 11 500 | 15 000 | 31 000 | |
| MUNICIPAL PLANNING & DEVELOPMENT | - | - | - | 13 250 | 6 738 | 6 738 | 6 738 | 4 000 | - | - | |
| TECHNICAL SERVICES | - | - | - | 114 407 | 106 043 | 106 043 | 106 043 | 215 681 | 85 272 | 161 740 | |
| Capital single-year expenditure sub-total | - | - | - | 148 937 | 134 059 | 134 059 | 134 059 | 238 191 | 102 072 | 195 440 | |
| Total Capital Expenditure - Vote | 853 380 | 301 246 | 194 948 | 541 568 | 523 098 | 523 098 | 523 098 | 597 286 | 645 729 | 739 718 | |

For 2013/14 an amount of R482 million has been appropriated for technical service vote for development of services infrastructure which represents 81% of the total capital budget. In the outer two years this amount totals R500 million, 78% and R527 million, 71% respectively for each of the financial years.

Detailed breakdown of the capital budget per project over the medium term.

| DEPARTMENT | MUNICIPAL PRIORITY | FUNDING SOURCE | PROJECT DESCRIPTION | WARD | 2013/2014 BUDGET FORECAST | 2014/2015 BUDGET ESTIMATE | 2015/2016 BUDGET ESTIMATE |
|--|--|--------------------------------------|--|-----------------------------|---------------------------|---------------------------|---------------------------|
| Corporate Services | Good governance and Public Participation | Capital Replacement Reserve | Install palisade fence around car parking for staff in White-river | 30 | 450,000 | - | - |
| Corporate Services | Good governance and Public Participation | Capital Replacement Reserve | Replacement of old air-conditioners Kabokweni and Whiteriver civic centres | 30 and 39 | 300,000 | - | - |
| Technical Services | Road Infrastructure development and Stormwater | Capital Replacement Reserve | Van Rooyen St: Construct section through Stonehenge 6 | 15 | 1,700,000 | - | - |
| Corporate Services | Good governance and Public Participation | Capital Replacement Reserve | 1 x LDV (Records Section) | Institutional | 200,000 | - | - |
| Corporate Services | Good governance and Public Participation | Capital Replacement Reserve | 2 x Heavy duty staplers (Records Section) | Institutional | 10,000 | - | - |
| Community Services | Good governance and Public Participation | Capital Replacement Reserve | Ablution Facilities and Change room facilities | Institutional | - | - | - |
| Community Services | Good governance and Public Participation | Capital Replacement Reserve | ABLUTION FACILITIES AT CEMETERIES | 13,18, 28, 38 | - | 750,000 | 750,000 |
| Planning, Performance and ICT | Good governance and public participation | Capital Replacement Reserve | Automated Monitoring Evaluation System | Institutional | 1,500,000 | - | - |
| Community Services | Community Development | Capital Replacement Reserve | Back- Up Fire Water Supply and Storage | 2,4,24,27 | - | 130,000 | 130,000 |
| Technical Services | Water Supply | Capital Replacement Reserve | Backdoor/Mbonisweni augmentation scheme | 32 | 700,000 | 3,500,000 | 2,800,000 |
| Community Services | Community Development | Capital Replacement Reserve | Build new Swimming pool in Hazyview | 1 | - | - | 2,500,000 |
| Community Services | Community Development | Capital Replacement Reserve | Build new Swimming Pool Matsulu | 13 | - | - | 2,500,000 |
| Local Economic Development, Urban and Rural and Human Settl. | Economic Development | Capital Replacement Reserve | Building Of Trade Stalls, Kabokweni and Mahushu | 3,33 and 38 | 1,100,000 | 2,157,900 | 7,080,000 |
| Community Services | Good governance and Public Participation | Capital Replacement Reserve | Cemetery IT System | 1 to 39 | 500,000 | 300,000 | - |
| Technical Services | Sanitation/Sewerage | Capital Replacement Reserve | Chemical dosing system at White River Waste Water Treatment works | 30 | 800,000 | - | R 0.00 |
| Technical Services | Road Infrastructure development and Stormwater | Municipal Infrastructure Grant | Clau-Clau construction of roads and stormwater | 5 | 4,385,965 | - | - |
| Corporate Services | Good governance and Public Participation | Capital Replacement Reserve | Cleaning/Tilling the civic centre exterior walls | All | 2,000,000 | 2,300,000 | 700,000 |
| Technical Services | Sanitation/Sewerage | Borrowings | Coltshill Outfall Sewer | 30 | 2,200,000 | - | - |
| Technical Services | Water Supply | Municipal Water Infrastructure Grant | Commissioning of the Hoxani Water Treatment Works Mbombela Modules and construction of bulkwater supply line and additional module | 3,5,6,7,8,9,10,1 1,31,38 | 4,385,965 | - | - |
| Community Services | Community Development | Capital Replacement Reserve | Community Emergency Bases | 4,24,27 | - | 380,000 | 380,000 |
| Technical Services | Road Infrastructure development and Stormwater | Capital Replacement Reserve | Completion of sections of Road D2967 [PH03, MG01] - Planning, Design, WUL, EIA, BP, Tender documents. | 5, 9 | - | 3,592,623 | 1,995,902 |

| DEPARTMENT | MUNICIPAL PRIORITY | FUNDING SOURCE | PROJECT DESCRIPTION | WARD | 2013/2014 BUDGET FORECAST | 2014/2015 BUDGET ESTIMATE | 2015/2016 BUDGET ESTIMATE |
|--------------------|--|---------------------------------------|---|---------------------------------|---------------------------|---------------------------|---------------------------|
| Technical Services | Road Infrastructure development and Stormwater | Capital Replacement Reserve | Construct access road [EL01] - Construction & Supervision | 12 | | | 2,022,720 |
| Technical Services | Road Infrastructure development and Stormwater | Capital Replacement Reserve | Construct bus route - Mzondi St [MS08] - Planning, Design, BP, Tender documents | 21 | | | 1,396,207 |
| Technical Services | Road Infrastructure development and Stormwater | Municipal Infrastructure Grant | Construct bus route [KAB01] - Construction & Supervision | 31, 33 | | | |
| Technical Services | Road Infrastructure development and Stormwater | Capital Replacement Reserve | Construct bus route [KAB01] - Planning, Design, BP, Tender documents | 31, 33 | | | 361,137 |
| Technical Services | Water Supply | Borrowings | Construction of Manzini Package plant, bulkwater supply line and refurbishment of internal reticulation network | 7 | 2,000,000 | 3,000,000 | |
| Technical Services | Economic Development | Public Contribution | Construction of a Museum & Heritage Centre | 14 | 9,000,000 | | |
| Technical Services | Water Supply | Capital Replacement Reserve | Construction of an additional 1ML/day Dwaleni Package Plant and bulkline refurbishment | 33 | 6,980,752 | | |
| Technical Services | Water Supply | Municipal Infrastructure Grant | Construction of an additional 1ML/day Dwaleni Package Plant and bulkline refurbishment | 33 | 4,375,141 | 2,991,751 | |
| Technical Services | Road Infrastructure development and Stormwater | Municipal Infrastructure Grant | Construction of Guthwakop Busroute | 21 | 8,771,930 | 26,315,789 | |
| Technical Services | Road Infrastructure development and Stormwater | Municipal Infrastructure Grant | Construction of Hazyview and Dwaleni internal streets | 1 | 4,385,965 | - | |
| Technical Services | Water Supply | Capital Replacement Reserve | Construction of Jerusalem 2ML/day Package Plant, bulkline and refurbishment of internal reticulation network | 8 | 2,000,000 | 4,000,000 | 10,364,121 |
| Technical Services | Water Supply | Capital Replacement Reserve | Construction of Majika Package Plant, bulkline and refurbishment of internal reticulation network | 25 | 1,000,000 | 2,500,000 | 2,500,000 |
| Community Services | Community Development | Municipal Infrastructure Grant | Construction of Multi-Purpose Courts | 5 | 175,439 | 2,500,000 | 5,000,000 |
| Technical Services | Public Transport | Public Transport Infrastructure Grant | Construction of Nelspruit Public Transport Rank and Ancillary Facilities | 16 | 17,563,158 | 36,122,170 | |
| Community Services | Community Development | Municipal Infrastructure Grant | Construction of new community halls | 1, 5, 8, 12, 14, 22, 34, 36, 38 | 4,333,333 | 8,000,000 | 15,000,000 |
| Technical Services | Water Supply | Borrowings | Construction of the Boschrand to Phumlani Pipeline | 30 | 6,000,000 | - | |
| Technical Services | Road Infrastructure development and Stormwater | Capital Replacement Reserve | Design for replacement of collapsed stormwater pipes and culverts in West Acres x 7, 8 & 29 (Multi-phased) | 15 | 440,000 | 425,000 | 630,484 |
| Technical Services | Electricity Supply and Management | Borrowings | Designs for Ehmke 2 Switching Station | 15, 16, 17 | 4,000,000 | - | |

| DEPARTMENT | MUNICIPAL PRIORITY | FUNDING SOURCE | PROJECT DESCRIPTION | WARD | 2013/2014 BUDGET FORECAST | 2014/2015 BUDGET ESTIMATE | 2015/2016 BUDGET ESTIMATE |
|--|--|---|---|------------------------|---------------------------|---------------------------|---------------------------|
| Technical Services | Water Supply | Capital Replacement Reserve | Development and implementation of a Water Tankering Monitoring System | All | 700,000 | 2,000,000 | - |
| Financial Services | Revenue Enhancement | Capital Replacement Reserve | Development of internet portal for municipal accounts and online billing. | Institutional | 700,000 | 300,000 | - |
| Technical Services | Electricity Supply and Management | Capital Replacement Reserve | Distribution and safety equipment | Institutional | 400,000 | - | - |
| Technical Services | Road Infrastructure development and Stormwater | Capital Replacement Reserve | Doctor Enos Mabuza Dr: Planning & design for widening of section between Kaapsche Hoop Rd & Ferreira St. (Includes EIA, WUL, etc) | 15, 16 | 2,000,000 | - | - |
| Local Economic Development, Urban and Rural and Human Settl. | Rural Development | Capital Replacement Reserve | Drilling and commissioning of boreholes for water supply in farms within Mbombela | Related Wards | 500,000 | 359,650 | - |
| Local Economic Development, Urban and Rural and Human Settl. | Rural Development | Capital Replacement Reserve | Drilling and commissioning of boreholes for water supply in farms within Mbombela | Related Wards | 2,000,000 | - | - |
| Technical Services | Water Supply | DWA Refurbishment Grant | DWA refurbishment programme | All Nsikazi wards | 8,052,632 | - | - |
| Technical Services | Electricity Supply and Management | Capital Replacement | Electrical meter audit - residential | 14, 15, 16, 17, 30 | - | 1,000,000 | - |
| Technical Services | Electricity Supply and Management | Capital Replacement Reserve | Electrical network protection (10 main substations) | 14;15; 16;17;18;30; 38 | 500,000 | - | 1,500,000 |
| Technical Services | Electricity Supply and Management | Integrated National Electrification | Electrification of households (1000) | 1 | 5,043,860 | - | - |
| Technical Services | Electricity Supply and Management | Integrated National Electrification | Electrification of households (1290) | 27 | - | - | 13,157,895 |
| Technical Services | Electricity Supply and Management | Integrated National Electrification | Electrification of households (200) | 3 & 21 | 2,017,544 | - | - |
| Technical Services | Electricity Supply and Management | Integrated National Electrification Programme Grant | Electrification of households (400) | 35 | - | 4,385,965 | - |
| Corporate Services | Good governance and Public Participation | Capital Replacement Reserve | Electronic attendance registers | | 400,000 | 250,000 | 250,000 |
| Corporate Services | Good governance and Public Participation | Capital Replacement Reserve | Equipments for Medical examinations | | 700,000 | 200,000 | 250,000 |
| Local Economic Development, Urban and Rural and Human Settl. | Economic Development | Capital Replacement Reserve | Establishment of Marula Factory | 39 | 1,200,000 | 1,942,110 | 3,672,000 |
| Planning, Performance and ICT | Good governance and public participation | Capital Replacement Reserve | ESTABLISHMENT OF 5 KNOWLEDGE MANAGEMENT CENTRES - 5 PLANNING ZONES | Mbombela | 600,000 | - | - |
| Community Services | Community Development | Capital Replacement Reserve | Establishment of Kanyamazane DLTC | 18 to 22 | - | - | 3,000,000 |
| Community Services | Community Development | Capital Replacement Reserve | Establishment of Masoyi Public Safety Centre | 3 to 8 | - | - | 3,000,000 |
| Community Services | Waste and Environment Management | Borrowings | Establishment of WasteTransfer Stations | All Wards | 3,872,889 | - | 2,962,596 |
| Community Services | Community Development | Capital Replacement Reserve | Establishment and purchase of play equipment | 1 to 39 | 300,000 | 750,000 | 750,000 |
| Technical Services | Electricity Supply and Management | Capital Replacement Reserve | Extension of electricity distribution license | 1- 39 | 500,000 | 600,000 | 700,000 29 |

| DEPARTMENT | MUNICIPAL PRIORITY | FUNDING SOURCE | PROJECT DESCRIPTION | WARD | 2013/2014 BUDGET FORECAST | 2014/2015 BUDGET ESTIMATE | 2015/2016 BUDGET ESTIMATE |
|--|--|---------------------------------|--|--------------------------------|---------------------------|---------------------------|---------------------------|
| Community Services | Waste and Environment Management | Borrowings | Extension of Tekwane West Central Waste Disposal Site Cell 2 | 38 | 837,716 | 5,000,000 | 15,000,000 |
| Local Economic Development, Urban and Rural and Human Settl. | Economic Development | Capital Replacement Reserve | Fencing and Refurbishment of Established Existing Stalls | Related Wards | 300,000 | 215,790 | 408,000 |
| Community Services | Waste and Environment Management | Capital Replacement Reserve | Fencing of Cemeteries | 1 to 39 | 1,700,000 | 2,500,000 | 7,000,000 |
| Community Services | Community Development | Capital Replacement Reserve | Fencing of community halls | 10, 16, 27, 31, 38 | 300,000 | 400,000 | 500,000 |
| Technical Services | Road Infrastructure development and Stormwater | Capital Replacement Reserve | Gedlembane Rd - Msogwaba: Structural analysis | 29 | 500,000 | - | - |
| Community Services | Community Development | Capital Replacement Reserve | High Rise Building Fire Truck | 17 | - | 8,560,000 | - |
| Planning, Performance and ICT | Good governance and public participation | Capital Replacement Reserve | Hybrid tablets for Management | Mbombela | 500,000 | 500,000 | - |
| Technical Services | Electricity Supply and Management | Energy Efficiency Grant (EEDSM) | Implementation of an energy efficiency for Water Plants (EEDSM) | | 4,385,965 | - | 1,758,772 |
| Technical Services | Revenue Enhancement | Capital Replacement Reserve | Implementation of the Water Conservation and Demand Management Strategy | All | 4,000,000 | 4,500,000 | 5,500,000 |
| Corporate Services | Good governance and Public Participation | Capital Replacement Reserve | Improve security at Sitasive Training Centre | | 80,000 | - | - |
| Community Services | Community Development | Capital Replacement Reserve | Install New flood lights at Sport Facilities | All wards | 800,000 | - | - |
| Technical Services | Water Supply | Capital Replacement Reserve | Installation of a desilting system at the Hazyview Raw water pumpstation | 1 | 1,400,000 | - | - |
| Technical Services | Water Supply | Capital Replacement Reserve | Installation of a Supervisory Control and Data Acquisition (SCADA) and telemetry system for water infrastructure | All | 1,300,000 | 2,000,000 | 2,200,000 |
| Community Services | Good governance and Public Participation | Capital Replacement Reserve | Installation of air-conditioners in libraries | 1,2,6,13,16,17,2 2,26,30,33 | 250,000 | 250,000 | - |
| Technical Services | Water Supply | Capital Replacement Reserve | Installation of an Automated Backwash System at Hazyview Water Treatment Works | 1 | 500,000 | - | - |
| Technical Services | Water Supply | Capital Replacement Reserve | Installation of an Automated Backwash System at Kanyamazane Water Treatment Works | 19 | 700,000 | - | - |

| DEPARTMENT | MUNICIPAL PRIORITY | FUNDING SOURCE | PROJECT DESCRIPTION | WARD | 2013/2014 BUDGET FORECAST | 2014/2015 BUDGET ESTIMATE | 2015/2016 BUDGET ESTIMATE |
|--|--|---|--|---------------------|---------------------------|---------------------------|---------------------------|
| Technical Services | Water Supply | Capital Replacement Reserve | Installation of an Automated Backwash System at White River Water Treatment Works | 30 | 500,000 | | |
| Planning, Performance | Good governance and public | Capital Replacement | INSTALLATION OF BACK-UP GENERATORS | Mbombela | 400,000 | 1,000,000 | 1,000,000 |
| Technical Services | Water Supply | Capital Replacement Reserve | Installation of new bulkwater meters and refurbishment of old meters | All | 1,500,000 | | |
| Technical Services | Electricity Supply and Management | Capital Replacement Reserve | Installation of public lightning | 1 – 39 | | 2,192,982 | - |
| Technical Services | Water Supply | Capital Replacement Reserve | Installation of security measures for assets | All | 700,000 | 1,300,000 | 1,000,000 |
| Technical Services | Water Supply | Capital Replacement Reserve | Installation of Standby diesel generators at Kanyamazane and Nyongane Water Treatment Works/Pumpstations | All | 700,000 | 750,000 | 800,000 |
| Technical Services | Electricity Supply and Management | Capital Replacement Reserve | Installation of street lights in various areas | 18, 19 & 28 | 1,500,000 | - | - |
| Local Economic Development, Urban and Rural and Human Settl. | Economic Development | Capital Replacement Reserve | Job Linkage Centre | Related Wards | 4,500,000 | 5,315,800 | 8,351,582 |
| Community Services | Community Development | Capital Replacement Reserve | K53 Test Track - Motorcycles | 30 | 700,000 | 600,000 | |
| Technical Services | Road Infrastructure development and Stormwater | Capital Replacement Reserve | Kaapsche Hoop Rd: Geometric upgrading and reconstruction of section from Samora Machel Dr to Doctor Enos Mabuza Dr: Construction | 15 | | 3,500,000 | |
| Technical Services | Road Infrastructure development and Stormwater | Capital Replacement Reserve | Kaapsche Hoop Rd: Widening, geometric upgrading and reconstruction of section from Samora Machel Dr to Doctor Enos Mabuza Dr: Planning, Design & WUL | 15 | 1,175,000 | | |
| Technical Services | Economic Development | Neighbourhood Development Programme Grant | KaNyamazane Precinct Development | 18,19,20 | 4,385,965 | - | - |
| Technical Services | Road Infrastructure development and Stormwater | Municipal Infrastructure Grant | KaNyamazane Streets and busroutes | 18,19,20 | 8,403,509 | - | - |
| Technical Services | Water Supply | Municipal Water Infrastructure Grant | Karino Plaston Bulkwater Scheme | Nsikazi South Wards | - | - | 8,000,000 |

| DEPARTMENT | MUNICIPAL PRIORITY | FUNDING SOURCE | PROJECT DESCRIPTION | WARD | 2013/2014 BUDGET FORECAST | 2014/2015 BUDGET ESTIMATE | 2015/2016 BUDGET ESTIMATE |
|--|--|--------------------------------------|---|---------------------|---------------------------|---------------------------|---------------------------|
| Technical Services | Water Supply | Borrowings | Karino Plaston Bulkwater Scheme | Nsikazi South Wards | 40,000,000 | - | - |
| Technical Services | Water Supply | Municipal Infrastructure Grant | Karino Plaston Bulkwater Scheme | Nsikazi South Wards | 41,433,423 | 51,542,071 | 89,157,675 |
| Technical Services | Water Supply | Capital Replacement Reserve | Karino Plaston Bulkwater Scheme | Nsikazi South Wards | - | - | 41,473,273 |
| Technical Services | Water Supply | Capital Replacement Reserve | Link Phola to Mshadza Package Plant | 5 | 2,000,000 | - | - |
| Technical Services | Water Supply | Municipal Water Infrastructure Grant | Maggiesdal Township (IHS) - Planning, design and tender documentation for roads and stormwater infrastructure | 16 | - | 1,220,000 | - |
| Local Economic Development, Urban and Rural and Human Settl. | Economic Development | Capital Replacement Reserve | Maintenance of Trade Trolleys | Related Wards | 200,000 | 143,860 | 272,000 |
| Local Economic Development, Urban and Rural and Human Settl. | Economic Development | Capital Replacement Reserve | Manufacture Trade Trolleys | 27,30 | 300,000 | 215,790 | 408,000 |
| Technical Services | Community development | Municipal Infrastructure Grant | Matsulu Fire Station | 13, 28 | 6,070,000 | 3,157,895 | - |
| Community Services | Community Development | Capital Replacement Reserve | Matsulu Public Safety Facility | - | 4,000,000 | 5,000,000 | - |
| Technical Services | Road Infrastructure development and Stormwater | Municipal Infrastructure Grant | Matsulu Streets and busroutes | 13,28 | 8,403,508 | 26,315,789 | - |
| Technical Services | Sanitation/Sewerage | Municipal Infrastructure Grant | Matsulu, Portia, Mpakeni and Luphisi bus route | 13,24,28 | 3,508,772 | - | - |
| Technical Services | Water Supply | Municipal Infrastructure Grant | MIG: MTS - WTW Extension with 6MLD | 13 | - | 12,500,000 | 25,000,000 |
| Technical Services | Water Supply | Municipal Infrastructure Grant | MIG: NEWSCOM - Upgrade Bulk and network reticulation | 36 | - | 7,368,000 | 6,831,281 |
| Technical Services | Water Supply | Municipal Infrastructure Grant | MIG: NZK - Msogwaba and Pienaar (ward 22 & 23) water network extentions | 22 and 23 | - | 26,503,317 | - |
| Technical Services | Water Supply | Municipal Infrastructure Grant | MIG: ZWELISHA B/MLUTI WATER SUPPLY PHASE 3 | 2 | - | 1,500,000 | 6,000,000 |

| DEPARTMENT | MUNICIPAL PRIORITY | FUNDING SOURCE | PROJECT DESCRIPTION | WARD | 2013/2014 BUDGET FORECAST | 2014/2015 BUDGET ESTIMATE | 2015/2016 BUDGET ESTIMATE |
|-------------------------------|--|--------------------------------|---|---------------------|---------------------------|---------------------------|---------------------------|
| Technical Services | Road Infrastructure development and Stormwater | Capital Replacement Reserve | Mostert St: Widening between VdMerwe & Van Wijk St [ST-05-MB]: Planning & Construction | 17 | 2,500,000 | | |
| Technical Services | Water Supply | Municipal Infrastructure Grant | MP 617:MIG Zwelisha Extention of Reticulation at Zomba | 4 | | 3,600,000 | 7,000,000 |
| Technical Services | Water Supply | Capital Replacement Reserve | Mshadza package plant, bulk line | 6 | 700,000 | 3,400,000 | |
| Community Services | Community Development | Capital Replacement Reserve | Multipurpose Disaster Managment Vehicle | All Wards | 1,500,000 | | |
| Community Services | Community Development | Capital Replacement Reserve | Nature Reserve Fencing | 15, 16, 17 | 150,000 | 500,000 | |
| Technical Services | Sanitation/Sewerage | Municipal Infrastructure Grant | New - Northern Outfall Sewer | 14 | 6,649,123 | | |
| Planning, Performance | Good governance and public | Capital Replacement | NEW AND UPGRADING OF ICT HARDWARE | Mbombela | 3,500,000 | 3,600,000 | 4,000,000 |
| Planning, Performance and ICT | Good governance and public participation | Capital Replacement Reserve | NEW AND UPGRADING OF ICT SOFTWARE SYSTEMS | Mbombela | 1,000,000 | 1,000,000 | 1,000,000 |
| Technical Services | Sanitation/Sewerage | Municipal Infrastructure Grant | Nsikazi North household sanitation (Zone A) | All | 3,508,772 | - | |
| Technical Services | Sanitation/Sewerage | Municipal Infrastructure Grant | Nsikazi South household sanitation (Zone B) | All | 3,508,772 | - | |
| Community Services | Waste and Environment Management | Capital Replacement Reserve | Nursery Development | 16; 30 | 1,200,000 | - | |
| Technical Services | Water Supply | Capital Replacement Reserve | Optimization of Kanyamazane Water Treatment Works Chemical dosing processes and equipping of water quality laboratory (Kanyamazane) | Nsikazi North Wards | 700,000 | | |
| Technical Services | Road Infrastructure development and Stormwater | Municipal Infrastructure Grant | Pedestrian Crossing : Nsikazi North | 1, 25 | 4,385,965 | 6,000,000 | 15,000,000 |
| Technical Services | Road Infrastructure development and Stormwater | Municipal Infrastructure Grant | Pedestrian Crossing : Nsikazi South | 2 | 2,653,956 | 4,000,000 | 10,000,000 |
| Technical Services | Road Infrastructure development and Stormwater | Municipal Infrastructure Grant | Pedestrian Crossing : Ward 2, 4 & 29 | 2, 4, 29 | 3,528,799 | 5,000,000 | 6,500,000 |
| Technical Services | Community development | Municipal Infrastructure Grant | Phola community hall | 5 | 3,508,772 | | |
| Technical Services | Road Infrastructure development and Stormwater | Municipal Infrastructure Grant | Phumlani Busroute | 30 | 8,400,589 | 26,315,789 | |
| Technical Services | Road Infrastructure development and Stormwater | Capital Replacement Reserve | Phumlani new access road: Planning, Design, EIA & Land Acquisition | 14, 30 | | 1,000,000 | 1,600,000 |
| Technical Services | Sanitation/Sewerage | Capital Replacement Reserve | Planning and Construction of Kaapsehoop sewerage works and reticulation | 12 | 700,000 | - | |
| Technical Services | Road Infrastructure development and Stormwater | Capital Replacement Reserve | Plant and Equipment | All | 2,500,000 | 3,000,000 | 5,000,000 |
| Community Services | Community Development | Capital Replacement Reserve | Playground Manager IT System& Hand held PDA's | 1 to 39 | 200,000 | 150,000 | - |

| DEPARTMENT | MUNICIPAL PRIORITY | FUNDING SOURCE | PROJECT DESCRIPTION | WARD | 2013/2014 BUDGET FORECAST | 2014/2015 BUDGET ESTIMATE | 2015/2016 BUDGET ESTIMATE |
|--|--|---------------------------------------|---|---------------------------|---------------------------|---------------------------|---------------------------|
| Technical Services | Electricity Supply and Management | Capital Replacement Reserve | Power factor correction | 14;15; 16;17;18;30; 38 | 500,000 | - | - |
| Financial Services | Financial Management and Viability | Capital Replacement Reserve | Procurement of a cost and management accounting system | Institutional | - | 1,500,000 | 1,500,000 |
| Community Services | Community Development | Capital Replacement Reserve | Procurement of Backup Generator in Nelspruit | 15 | 1,300,000 | - | - |
| Chief Operations | Good governance and public participation | Capital Replacement Reserve | Procurement of equipment for environmental awareness and education programmes | Mbombela | 500,000 | 300,000 | 400,000 |
| Financial Services | Financial management and viability | Capital Replacement Reserve | Procurement of fleet management system | Institutional | 3,000,000 | 1,500,000 | 1,000,000 |
| Financial Services | Financial management and viability | Capital Replacement Reserve | Procurement of fuel management system | Institutional | 1,200,000 | 1,000,000 | 1,000,000 |
| Financial Services | Good governance and public participation | Capital Replacement Reserve | Procurement of Furniture and Equipment | 13 | 3,050,000 | 250,000 | 500,000 |
| Community Services | Waste and Environment Management | Borrowings | Procurement of Solid Waste Management Fleet | All Wards | 4,000,000 | 2,437,017 | 17,384,000 |
| Community Services | Waste and Environment Management | Capital Replacement Reserve | Procurement of Solid Waste Management Fleet | All Wards | - | 7,000,000 | - |
| Technical Services | Public Transport | Public Transport Infrastructure Grant | Proposal for testing, evaluation and design of PT priority Routes in Central Areas of Nelspruit | 16 | 22,000,000 | 40,000,000 | - |
| Local Economic Development, Urban and Rural and Human Settl. | Economic Development | Capital Replacement Reserve | Provision of Bartber Stalls | All | 500,000 | 359,650 | 1,180,000 |
| Local Economic Development, Urban and Rural and Human Settl. | Intergrated Human Settlements | Capital Replacement Reserve | PROVISION OF EXECUTIVE MAYOR OFFICIAL RESIDENCE | 17 | 4,471,232 | 1,967,342 | - |
| Technical Services | Public Transport | Public Transport Infrastructure Grant | Proposal for testing, evaluation and design of PT priority Routes in the Eastern Areas | 16 | - | - | 47,909,000 |
| Technical Services | Public Transport | Public Transport Infrastructure Grant | Public Transport Management Function | All | 19,000,000 | 18,000,000 | - |
| Local Economic Development, Urban and Rural and Human Settl. | Intergrated Human Settlements | Capital Replacement Reserve | Puchase of land for Integrated Human Settlements | All wards | - | 3,326,775 | 16,000,000 |
| Technical Services | Electricity Supply and Management | Borrowings | Purchase of 9 motor vehicles - bakkies | 14,15,16,17,30 | 3,150,000 | - | - |
| Technical Services | Electricity Supply and Management | Borrowings | Purchase of 2 Cherry-pickers | 14,15,16,17,30 | 1,800,000 | - | - |
| Community Services | Community Development | Capital Replacement Reserve | Purchase of 25 Traffic Patrol Vehicles | All Wards | - | 7,000,000 | 9,000,000 |
| Technical Services | Electricity Supply and Management | Capital Replacement Reserve | Purchase of 3 Emergency generators | 14,15,16,17,30 | 150,000 | 175,000 | 200,000 |
| Community Services | Community Development | Capital Replacement Reserve | Purchase of 3 LDV,s - Disaster Managment | All Wards | - | 280,000 | - |

| DEPARTMENT | MUNICIPAL PRIORITY | FUNDING SOURCE | PROJECT DESCRIPTION | WARD | 2013/2014 BUDGET FORECAST | 2014/2015 BUDGET ESTIMATE | 2015/2016 BUDGET ESTIMATE |
|--|--|---------------------------------------|--|---------------|---------------------------|---------------------------|---------------------------|
| Local Economic Development, Urban and Rural and Human Settl. | Intergated Human Settlements | Capital Replacement Reserve | Purchase of 300 foldable collapsible structures | All wards | 3,059,406 | 2,402,139 | 8,298,297 |
| Community Services | Community Development | Capital Replacement Reserve | Purchase of 8 Speed Measuring Equipment | All Wards | 700,000 | | |
| Community Services | Community Development | Capital Replacement Reserve | Purchase of Brushcutters, ride on lawnmowers, chain saws, and Leaf Blowers, push lawn mowers, hedge trimmers | All wards | 800,000 | 800,000 | 700,000 |
| Community Services | Community Development | Capital Replacement Reserve | Purchase of collapseble structures | All Wards | 1,000,000 | 400,000 | 300,000 |
| Community Services | Good governance and Public Participation | Capital Replacement Reserve | Purchase of Equipment | 16 | 10,000 | | |
| Local Economic Development, Urban and Rural and Human Settl. | Economic Development | Capital Replacement Reserve | Purchase of Land for Economic Project | All | - | 12,000,000 | 15,000,000 |
| Technical Services | Public Transport | Public Transport Infrastructure Grant | Purchase of Land for Public Transport Operational Centre | 16 | 8,000,000 | 17,000,000 | |
| Local Economic Development, Urban and Rural and Human Settl. | Intergated Human Settlements | Capital Replacement Reserve | PURCHASE OF LAND IN HAZYVIEW FOR BUILDING OF A SCHOOL | Ward 12 | 3,000,000 | 1,320,000 | - |
| Community Services | Waste and Environment Management | Capital Replacement Reserve | PURCHASE OF LARGE TRACTOR | 1 to 39 | 600,000 | 650,000 | - |
| Community Services | Waste and Environment Management | Capital Replacement Reserve | PURCHASE OF LAWNMOWERS AND BRUSHCUTTERS | 1 to 39 | 800,000 | 500,000 | 250,000 |
| Community Services | Waste and Environment Management | Capital Replacement Reserve | PURCHASE OF LDVS | 1 to 39 | - | 800,000 | 500,000 |
| Financial Services | Financial Management and Viability | Capital Replacement Reserve | Purchase of Movable Asset Management and Tracking System | Institutional | 800,000 | 100,000 | 100,000 |
| Community Services | Community Development | Capital Replacement Reserve | Purchase of Office equipment for Sports Facilities | All wards | 50,000 | 50,000 | 50,000 |
| Technical Services | Sanitation/Sewerage | Capital Replacement Reserve | Purchase of Plant and equipment | All | 1,000,000 | 1,500,000 | 1,800,000 |
| Community Services | Road Infrastructure development and Stormwater | Capital Replacement Reserve | Purchase of Road Marking Machines | All Wards | 250,000 | 300,000 | 320,000 |
| Community Services | Good governance and Public Participation | Capital Replacement Reserve | Purchase of Steel Lockers | - | - | 250,000 | |
| Community Services | Waste and Environment Management | Capital Replacement Reserve | Purchase of Tractors | 1 to 39 | - | 1,200,000 | 1,200,000 |

| DEPARTMENT | MUNICIPAL PRIORITY | FUNDING SOURCE | PROJECT DESCRIPTION | WARD | 2013/2014 BUDGET FORECAST | 2014/2015 BUDGET ESTIMATE | 2015/2016 BUDGET ESTIMATE |
|--------------------|--|---------------------------------------|---|--------------------------------|---------------------------|---------------------------|---------------------------|
| Community Services | Community Development | Capital Replacement Reserve | Purchase of Tractors, bush cutters | All wards | 1,000,000 | 650,000 | 1,000,000 |
| Community Services | Road Infrastructure development and Stormwater | Capital Replacement Reserve | Purchase of Traffic Light Controllers | All Wards | 130,000 | 200,000 | 250,000 |
| Community Services | Waste and Environment Management | Capital Replacement Reserve | PURCHASE OF TREE TEAM EQUIPMENT | 1 to 39 | 250,000 | 750,000 | - |
| Community Services | Waste and Environment Management | Borrowings | PURCHASE OF TRUCKS | 1 to 39 | - | 2,500,000 | 1,000,000 |
| Community Services | Good governance and public participation | Capital Replacement Reserve | Purchase of Uninterrupted Power Supplies | All Wards | 210,000 | 260,000 | 300,000 |
| Community Services | Community Development | Capital Replacement Reserve | Purchase of Unipower 180 amp Generator/Welder for traffic technical services | All Wards | 20,000 | 30,000 | 40,000 |
| Community Services | Waste and Environment Management | Capital Replacement Reserve | Purchase of Waste Storage Facilities | | 2,500,000 | 2,560,000 | 5,000,000 |
| Corporate Services | Good governance and Public Participation | Capital Replacement Reserve | Purchase of Wendy House | | 50,000 | - | - |
| Community Services | Community Development | Capital Replacement Reserve | Purchasing of books | 1,2,6,13,16,17,2 2,26,30,33 | 150,000 | 250,000 | 300,000 |
| Community Services | Community Development | Capital Replacement Reserve | Purchasing of brushcutters & ride-on lawnmower | Institutional | 100,000 | 250,000 | |
| Community Services | Community Development | Capital Replacement Reserve | Purchasing of new theatre equipments | 16 | 100,000 | 250,000 | |
| Community Services | Good governance and Public Participation | Capital Replacement Reserve | Purchasing of new vehicles | Institutional | 900,000 | 900,000 | |
| Technical Services | Public Transport | Public Transport Infrastructure Grant | R40 from Dr. Enos Mabuza to TUT | 16 | 15,000,000 | 35,000,000 | |
| Technical Services | Road Infrastructure development and Stormwater | Capital Replacement Reserve | R40 through Hazyview: Structural analysis (damaged by ore carriers) | 1 | 1,000,000 | | |
| Financial Services | Financial Management and Viability | Capital Replacement Reserve | Rates hall facilities upgrade | Institutional | 1,000,000 | 250,000 | 100,000 |
| Technical Services | Water Supply | Capital Replacement Reserve | Redesign and refurbishment of Umbhaba pumpstation | 1 | 1,100,000 | | |
| Technical Services | Sanitation/Sewerage | Borrowings | Redesign and refurbishment of White River Country Estate sewer pumpstation | 30 | 1,500,000 | 500,000 | R 0.00 |
| Technical Services | Water Supply | Municipal Water Infrastructure Grant | Refurbishment of boreholes infrastructure and connections to existing reticulation networks | All | - | 3,099,123 | 4,098,246 |
| Technical Services | Sanitation/Sewerage | Capital Replacement Reserve | Refurbishment of infrastructure assets | All | 1,000,000 | - | - |
| Technical Services | Water Supply | Municipal Water Infrastructure Grant | Refurbishment of infrastructure assets | All | 2,333,333 | 5,000,000 | 6,500,000 |

| DEPARTMENT | MUNICIPAL PRIORITY | FUNDING SOURCE | PROJECT DESCRIPTION | WARD | 2013/2014 BUDGET FORECAST | 2014/2015 BUDGET ESTIMATE | 2015/2016 BUDGET ESTIMATE |
|--|--|-----------------------------|---|----------------------------|---------------------------|---------------------------|---------------------------|
| Technical Services | Water Supply | Capital Replacement Reserve | Refurbishment of the Elandshoek water networks | 12 | 1,000,000 | 1,200,000 | |
| Planning, Performance and ICT | Good governance and public participation | Capital Replacement Reserve | Refurbishment of the ICT facility | Mbombela | 2,000,000 | 1,000,000 | 1,000,000 |
| Local Economic Development, Urban and Rural and Human Settl. | Rural Development | Capital Replacement Reserve | Renovation and construction of Broiler houses for poultry co-operatives | 30, 32, 34, 39, 03, 09, | 2,500,000 | 2,157,900 | 6,201,600 |
| Local Economic Development, Urban and Rural and Human Settl. | Rural Development | Capital Replacement Reserve | Renovation and construction of Broiler houses for poultry co-operatives | 30, 32, 34, 39, 03 and 09. | 2,500,000 | | |
| Corporate Services | Good governance and Public Participation | Capital Replacement Reserve | Renovation for office space | All | 2,500,000 | 4,500,000 | 4,000,000 |
| Corporate Services | Good governance and Public Participation | Capital Replacement Reserve | Renovation of Civic Centres | All | 4,000,000 | 4,500,000 | 5,000,000 |
| Community Services | Community Development | Capital Replacement Reserve | Renovation of civic theatre | 16 | 150,000 | | |
| Financial Services | Financial management and viability | Capital Replacement Reserve | Renovation of Nelspruit and White River municipal stores | Institutional | 800,000 | - | - |
| Community Services | Community Development | Capital Replacement Reserve | Renovations and upgrading of Delapidated Stadiums | 6,26,38 | 1,800,000 | | 2,200,000 |
| Technical Services | Road Infrastructure development and Stormwater | Capital Replacement Reserve | Replace 18 culverts damaged by floods:Construction | All | | | 4,800,000 |
| Technical Services | Road Infrastructure development and Stormwater | Capital Replacement Reserve | Replace collapsed stormwater pipes and culverts in West Acres x 7, 8 & 30: Construction | 15 | | 2,430,000 | 2,355,000 |
| Technical Services | Road Infrastructure development and Stormwater | Capital Replacement Reserve | Replace small plant and equipment | All | 300,000 | 300,000 | 300,000 |
| Community Services | Community Development | Capital Replacement Reserve | Replacement Jaws of Life Units | All Wards | 100,000 | 780,000 | |

| DEPARTMENT | MUNICIPAL PRIORITY | FUNDING SOURCE | PROJECT DESCRIPTION | WARD | 2013/2014 BUDGET FORECAST | 2014/2015 BUDGET ESTIMATE | 2015/2016 BUDGET ESTIMATE |
|--------------------|--|---------------------------------------|--|--|---------------------------|---------------------------|---------------------------|
| Technical Services | Water Supply | Capital Replacement Reserve | Replacement of the Hazyview Water Treatment Works filter media and nozzles | 1 | 700,000 | | |
| Community Services | Community Development | Capital Replacement Reserve | Replacement Station Utensils | All Wards | 100,000 | 280,000 | 250,000 |
| Technical Services | Road Infrastructure development and Stormwater | Capital Replacement Reserve | Reseal tarred roads - Hazyview | 1 | 900,000 | 1,000,000 | 1,200,000 |
| Technical Services | Road Infrastructure development and Stormwater | Capital Replacement Reserve | Reseal tarred roads - Kabokweni | 32,33,38 | 900,000 | 1,000,000 | 1,200,000 |
| Technical Services | Road Infrastructure development and Stormwater | Capital Replacement Reserve | Reseal tarred roads - Kanyamazane | 18,19,20,21, | 900,000 | 1,000,000 | 1,200,000 |
| Technical Services | Road Infrastructure development and Stormwater | Capital Replacement Reserve | Reseal tarred roads - Matsulu | 13,27,28, | 900,000 | 1,000,000 | 1,200,000 |
| Technical Services | Road Infrastructure development and Stormwater | Capital Replacement Reserve | Reseal tarred roads - Nelspruit | 12,14,15,16,17, 18,38 | 2,000,000 | 2,500,000 | 3,000,000 |
| Technical Services | Road Infrastructure development and | Capital Replacement | Reseal tarred roads - Nsikazi North | 3,5,6,7,8,9,25,3 4,37,39 | 900,000 | 1,000,000 | 1,200,000 |
| Technical Services | Road Infrastructure development and Stormwater | Capital Replacement Reserve | Reseal tarred roads - Nsikazi South | 2,4,10,11,22,23, 24,26,29,31,35, 36,39 | 900,000 | 1,000,000 | 1,200,000 |
| Technical Services | Road Infrastructure development and | Capital Replacement | Reseal tarred roads - White River | 8,30,38 | 900,000 | 1,000,000 | 1,200,000 |
| Corporate Services | Good governance and Public Participation | Capital Replacement Reserve | Resealling of civic centre roof | All | 2,500,000 | 3,000,000 | - |
| Technical Services | Road Infrastructure development and Stormwater | Municipal Infrastructure Grant | Roads and Stormwater Kanyamzane PH3 (16,52,17 &3) | 18, 19, 20 | 3,421,053 | 2,624,343 | |
| Technical Services | Public Transport | Public Transport Infrastructure Grant | R40 from R37 to Nelsriver HOV lane upgrade | 16 | 20,000,000 | | |
| Technical Services | Public Transport | Public Transport Infrastructure Grant | Rocky's drift Public transport Facility | 16 | 7,000,000 | - | |
| Technical Services | Water Supply | Service Contribution | SC 1002 - Water: Upgrades To Giraffe Internal Network | 16 | 750,000 | 750,000 | - |
| Technical Services | Sanitation/Sewerage | Capital Replacement | SC 1011 - Drumrock Sewer PS | | | | |
| Technical Services | Sanitation/Sewerage | Service Contribution | SC 1013 -Sewer: Network Upgrading Ac Mains | 14; 15; 16; 17 | - | 250,000 | 250,000 |
| Technical Services | Water Supply | Service Contribution | SC 1101 - Water: Upgrades in Nst ext | 15; 16; 17 | | 250,000 | 250,000 |
| Technical Services | Water Supply | Service Contribution | SC 1201 - Water: Upgrades Sonheuwel Upper Plan | 15 | | 350,000 | - |
| Technical Services | Sanitation/Sewerage | Service Contribution | Sc 1205 - Sewer: Western Outfall & PS | | | 1,000,000 | |
| Technical Services | Sanitation/Sewerage | Service Contribution | SC 1206 - Sewer: Network upgrading Eastern Outfall | 17 | | | 950,000 |
| Technical Services | Water Supply | Service Contribution | SC 1301 - Water: Network upgrading Giraffe Zone AC mains | 16 | | 300,000 | 700,000 |

| DEPARTMENT | MUNICIPAL PRIORITY | FUNDING SOURCE | PROJECT DESCRIPTION | WARD | 2013/2014 BUDGET FORECAST | 2014/2015 BUDGET ESTIMATE | 2015/2016 BUDGET ESTIMATE |
|--------------------|---------------------|----------------------|---|----------------|---------------------------|---------------------------|---------------------------|
| Technical Services | Water Supply | Service Contribution | SC 1302 - Water: Network upgrading Central Zone AC mains | 15; 16; 17 | | | 400,000 |
| Technical Services | Water Supply | Service Contribution | SC 1303 - Water: Network upgrading Nelsville Zone AC mains | | | | 400,000 |
| Technical Services | Water Supply | Service Contribution | SC 1401 - Water: Bulk & Network upgrades | 15; 16; 17 | | | |
| Technical Services | Sanitation/Sewerage | Service Contribution | SC 1402 - Sewer: Upgrade Bulk & reticulation | 14; 15; 16; 17 | | | |
| Technical Services | Sanitation/Sewerage | Service Contribution | SC 707 - Sewer Main Outfall Upgrades - Sonheuwel & Central (Enos Mabuza) | 15 | | - | - |
| Technical Services | Sanitation/Sewerage | Service Contribution | SC 710 - White River Corridor Collector Sewers - Service Contributions | 14; 17 | | 1,000,000 | 3,600,000 |
| Technical Services | Sanitation/Sewerage | Service Contribution | SC 806 - Sewer Pump Station Upgrades - Riverside X21 | 14; 17 | - | - | - |
| Technical Services | Sanitation/Sewerage | Service Contribution | SC 901 - Sewer Main Outfall Upgrades - Ferreira Street (Phase 2) (Nes708) | 16 | 3,500,000 | - | - |
| Technical Services | Water Supply | Service Contribution | SC 902 - Upgrades Central Zone - Owtw Pumpline To Old Pta Rd | 15; 16; 17 | | 1,200,000 | - |
| Technical Services | Water Supply | Service Contribution | SC 904 - Upgrades Sonheuwel Lower Ps & PI | 15 | | - | 1,200,000 |
| Technical Services | Water Supply | Service Contribution | SC 907 - Reinforcement Of Beryl & Saffier Zone (Stonehenge) | 15 | | 750,000 | - |
| Technical Services | Sanitation/Sewerage | Service Contribution | SC 908 - Sewer Main Outfall Upgrades - Sonheuwel & Central (Impala Str) | 15 | - | - | 1,200,000 |
| Technical Services | Water Supply | Service Contribution | SC 909 - Water: Upgrading Of 'Saffier' Ps (Beryl Zone) | 15 | - | - | 450,000 |

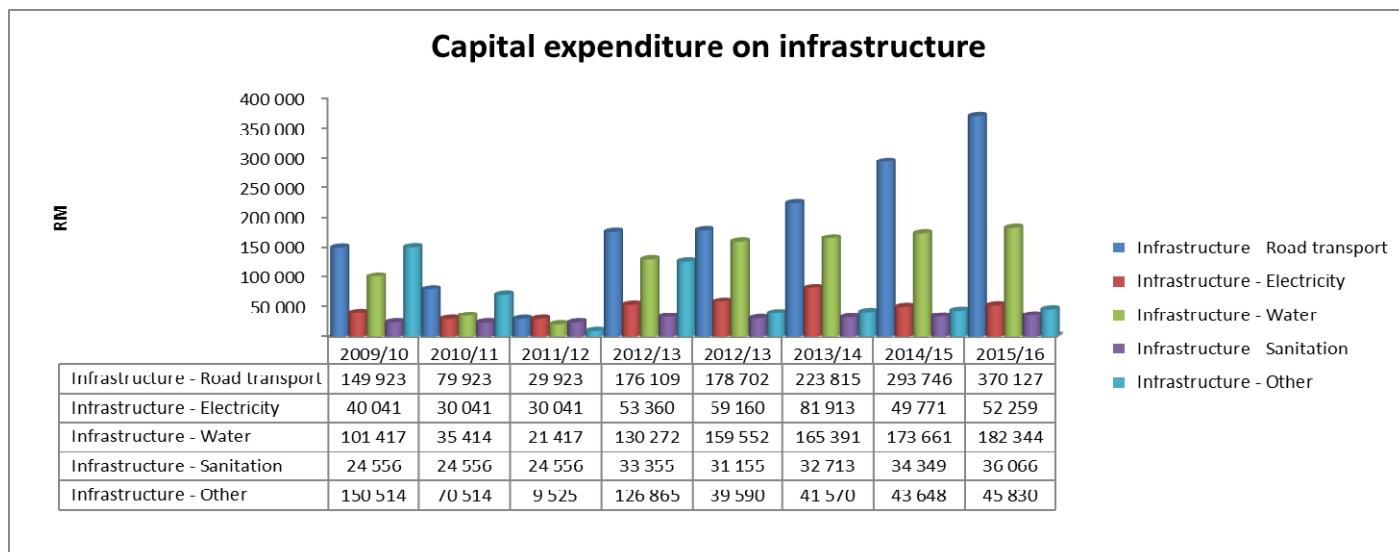
| DEPARTMENT | MUNICIPAL PRIORITY | FUNDING SOURCE | PROJECT DESCRIPTION | WARD | 2013/2014 BUDGET FORECAST | 2014/2015 BUDGET ESTIMATE | 2015/2016 BUDGET ESTIMATE |
|--|--|--------------------------------|---|------------------------|---------------------------|---------------------------|---------------------------|
| Technical Services | Sanitation/Sewerage | Service Contribution | SC 910 - Sewer: Extensions To Existing Networks Development Needs | 14; 15; 16; 17 | - | 350,000 | 350,000 |
| Technical Services | Sanitation/Sewerage | Service Contribution | SC 912 - Sewer: Pump Station Upgrades - Stonehenge | 15 | - | 900,000 | - |
| Corporate Services | Good governance and Public Participation | Capital Replacement Reserve | Scanning HR Files to Orbit | % of files scanned | 500,000 | 20,000 | 30,000 |
| Community Services | Community Development | Capital Replacement Reserve | Specialised confined Equipment | 15 | - | - | 520,000 |
| Technical Services | Electricity Supply and Management | Capital Replacement Reserve | Steiltes electricity supply | 17 | 1,000,000 | - | - |
| Technical Services | Electricity Supply and Management | Capital Replacement Reserve | Substation fencing (concrete) | 14,15,16,17 | 500,000 | 1,000,000 | 1,100,000 |
| Technical Services | Electricity Supply and Management | Capital Replacement Reserve | Substation maintenance and refurbishment | 14;15; 16;17;18;30; 38 | 3,000,000 | - | - |
| Corporate Services | Good governance and Public Participation | Capital Replacement Reserve | Supply and installation of Carports at Kanyamazane Service Centre | | 200,000 | - | - |
| Corporate Services | Good governance and Public Participation | Capital Replacement Reserve | Supply and installation of guardrooms(Wendy houses) at Kanyamazane Service Centre and Kanyamazane Hall | | 50,000 | - | - |
| Corporate Services | Good governance and Public Participation | Capital Replacement Reserve | Supply and installation of Palisade Fencing of Service Centre and Kanyamazane Hall | | 500,000 | - | - |
| Corporate Services | Good governance and Public Participation | Capital Replacement Reserve | Supply of furniture for Matsulu and Kanyamazane Council chambers | | 250,000 | - | - |
| Community Services | Community Development | Capital Replacement Reserve | Swimming pool equipment | 17,30,14,16 | 50,000 | 150,000 | - |
| Technical Services | Sanitation/Sewerage | Municipal Infrastructure Grant | Tekwane North Outfall Sewer | 18 | 5,263,158 | - | - |
| Technical Services | Water Supply | Municipal Infrastructure Grant | Tekwane South Ext 2 (IHS) - Planning, design and tender documentation for roads and stormwater infrastructure | 18 | | 1,480,000 | - |
| Corporate Services | Good governance and Public Participation | Capital Replacement Reserve | Thusong Centre Rollout | All | 500,000 | 500,000 | 500,000 |
| Local Economic Development, Urban and Rural and Human Settl. | Economic Development | Capital Replacement Reserve | Tourism Information Office at Stadium | 14 | 359,406 | 258,520 | 489,000 |
| Technical Services | Road Infrastructure development and Stormwater | Capital Replacement Reserve | Traffic calming: Installation of speed humps (2/ward) | All | 780,000 | 780,000 | 780,000 |
| Community Services | Good governance and Public Participation | Capital Replacement Reserve | UPGRADE OF ABLUTION AND NURSERY | 16, 30 | 1,800,000 | 1,500,000 | - |
| Technical Services | Electricity Supply and Management | Borrowings | Upgrade of Anderson 33/11Kv Substation | 16 | - | - | - |
| Technical Services | Road Infrastructure development and Stormwater | Municipal Infrastructure Grant | Upgrade of Chweni spienkop busroute | 34 | 10,000,000 | - | 20,000,000 |

| DEPARTMENT | MUNICIPAL PRIORITY | FUNDING SOURCE | PROJECT DESCRIPTION | WARD | 2013/2014 BUDGET FORECAST | 2014/2015 BUDGET ESTIMATE | 2015/2016 BUDGET ESTIMATE |
|-------------------------------|--|--------------------------------------|---|---------------------|---------------------------|---------------------------|---------------------------|
| Technical Services | Road Infrastructure development and Stormwater | Municipal Infrastructure Grant | Upgrade of Daantjie cemetery bus route | 23 | 10,000,000 | - | 20,000,000 |
| Technical Services | Electricity Supply and Management | Borrowings | Upgrade of Eskom POS (NMD upgrade) (Mataffin, Valencia, Nelsriver & Town North) | 14,15,16,17,30 | 12,000,000 | - | 20,000,000 |
| Financial Services | Financial management and viability | Capital Replacement Reserve | Upgrade of expenditure management module on Venus system | Institutional | 500,000 | 1,000,000 | |
| Financial Services | Financial management and viability | Capital Replacement Reserve | Upgrade of Intenda procurement system to interface with the payroll system | Institutional | 450,000 | - | - |
| Community Services | Community Development | Capital Replacement Reserve | Upgrade of Kanyamazane Fire Station | 20 | 300,000 | 385,000 | |
| Technical Services | Road Infrastructure development and Stormwater | Municipal Infrastructure Grant | Upgrade of Mafambisa to Spelanyani busroute | 10 | 10,000,000 | - | 20,000,000 |
| Technical Services | Water Supply | Municipal Infrastructure Grant | Upgrade of Matsulu bulk water supply | 13,28 | 5,894,737 | 8,771,930 | 8,000,000 |
| Technical Services | Electricity Supply and Management | Capital Replacement Reserve | Upgrade of Nelspruit Electrical Offices, Standby Quarters, Canteen & Drawing Office | 14,15,16,17 | - | 2,000,000 | - |
| Community Services | Community Development | Capital Replacement Reserve | Upgrade of Nelspruit Fire Stations | 17,30 | 1,500,000 | - | 1,200,000 |
| Technical Services | Water Supply | Municipal Water Infrastructure Grant | Upgrade of Nyongane Water Scheme | Nsikazi North Wards | - | 7,480,000 | 15,000,000 |
| Technical Services | Road Infrastructure development and Stormwater | Municipal Infrastructure Grant | Upgrade of Phola collector Road | 5 | 7,900,000 | - | - |
| Community Services | Good governance and Public Participation | Capital Replacement Reserve | UPGRADE OF STOREROOM FACILITIES FOR MACHINERY | 16 ,30, 38, 1 | - | 500,000 | 500,000 |
| Planning, Performance and ICT | Good governance and public participation | Capital Replacement Reserve | UPGRADE OF TETRA TWO WAY RADIO SYSTEM | Mbombela | 200,000 | 5,000,000 | 5,000,000 |
| Financial Services | Financial Management and Viability | Capital Replacement Reserve | Upgrade of the revenue management module on Venus system | Institutional | - | 2,000,000 | 3,500,000 |
| Technical Services | Electricity Supply and Management | Capital Replacement Reserve | Upgrade of Town North Substation | 30 | - | 5,000,000 | |
| Technical Services | Electricity Supply and Management | Borrowings | Upgrade of Town North Substation | 30 | - | - | 7,500,000 |
| Technical Services | Electricity Supply and Management | Capital Replacement Reserve | Upgrade of Valencia Substation | 14 | - | 5,000,000 | |
| Technical Services | Electricity Supply and Management | Borrowings | Upgrade of Valencia Substation | 14 | - | - | 7,500,000 |
| Technical Services | Water Supply | Capital Replacement Reserve | Upgrade of water and waste water laboratories | All | 500,000 | 1,016,840 | 4,000,000 |
| Technical Services | Water Supply | Municipal Infrastructure Grant | Upgrade of Water distribution network | 27 & 28 | 6,634,021 | 7,400,000 | |
| Technical Services | Electricity Supply and Management | Capital Replacement Reserve | Upgrade of White River Electrical Offices, Canteen, Standby Quarters & Ablution facilities | 30 | - | 2,000,000 | - |
| Financial Services | Financial management and viability | Capital Replacement Reserve | Upgrade Venus system to incorporate a cashflow management structure and linked to the budget maintenance structure. | Institutional | 1,000,000 | - | 41 |

| DEPARTMENT | MUNICIPAL PRIORITY | FUNDING SOURCE | PROJECT DESCRIPTION | WARD | 2013/2014 BUDGET FORECAST | 2014/2015 BUDGET ESTIMATE | 2015/2016 BUDGET ESTIMATE |
|--|--|-----------------------------|---|----------------------------|---------------------------|---------------------------|---------------------------|
| Community Services | Community Development | Capital Replacement Reserve | Upgrading of community halls | 10, 23, 30, 31, 33, 34, 37 | 1,500,000 | 1,500,000 | 1,500,000 |
| Community Services | Community Development | Capital Replacement Reserve | Upgrading of existing tennis and netball courts and change rooms | 14,17,30,16 | 800,000 | 800,000 | |
| Community Services | Community Development | Capital Replacement Reserve | Upgrading of Kabokweni Stadium | 33 | 500,000 | 500,000 | 500,000 |
| Community Services | Community Development | Capital Replacement Reserve | Upgrading of Nelsville Swimming Pool | 17 | - | - | 1,000,000 |
| Community Services | Community Development | Capital Replacement Reserve | Upgrading of Security at Sports Facilities (palisade Fencing) | All wards | 500,000 | 600,000 | 500,000 |
| Technical Services | Sanitation/Sewerage | Borrowings | Upgrading of the Hazyview Waste Water Treatment Works | 1 | 1,200,000 | - | 10,000,000 |
| Technical Services | Sanitation/Sewerage | Capital Replacement Reserve | Upgrading of the Kabokweni Ridge sewer pumpstation | 33,36 | 700,000 | 500,000 | R 0.00 |
| Technical Services | Water Supply | Capital Replacement Reserve | Upgrading of the Pienaar Pump No.3, motor and control panel | Nsikazi South Wards | | 2,500,000 | |
| Community Services | Community Development | Capital Replacement Reserve | Upgrading of Valencia Swimming Pool | 14 | - | - | 1,000,000 |
| Community Services | Community Development | Capital Replacement Reserve | Upgrading of Van Riebeeck Park Swimming Pool | 16 | 2,000,000 | - | - |
| Community Services | Community Development | Capital Replacement Reserve | Upgrading of White River Swimming Pool | 30 | - | - | 1,000,000 |
| Technical Services | Road Infrastructure development and Stormwater | Capital Replacement Reserve | Van Rooyen St: Reconstruction and extension from Percy Fitzpatrick St to Belladonna St- Planning, Design, EIA, Land acquisition | 15 | | | |
| Local Economic Development, Urban and Rural and Human Settl. | Rural Development | Capital Replacement Reserve | Vehicle to support Rural Coordinators to do field work in the Rural areas. | All wards | 400,000 | 287,720 | - |
| Local Economic Development, Urban and Rural and Human Settl. | Rural Development | Capital Replacement Reserve | Vehicle to support Rural Coordinators to do field work in the Rural areas. | All wards | 2,000,000 | | |
| Community Services | Community Development | Capital Replacement Reserve | Vehicles for Sports Facilities | All wards | 800,000 | 900,000 | 700,000 |
| Technical Services | Sanitation/Sewerage | Borrowings | WC2010 Kingstonvale WWTW | 17 | | | |

| DEPARTMENT | MUNICIPAL PRIORITY | FUNDING SOURCE | PROJECT DESCRIPTION | WARD | 2013/2014 BUDGET FORECAST | 2014/2015 BUDGET ESTIMATE | 2015/2016 BUDGET ESTIMATE |
|-------------------------------|--|---------------------------------------|---|---------------|---------------------------|---------------------------|---------------------------|
| Planning, Performance and ICT | Good governance and public participation | Capital Replacement Reserve | Wireless upgrade kanyamazane hazyview and kabokweni | Mbombela | 1,000,000 | 1,000,000 | 1,000,000 |
| Community Services | Community Development | Capital Replacement Reserve | Working Tools and Equipment | Institutional | 300,000 | 340,000 | 350,000 |
| Technical Services | Road Infrastructure development and Stormwater | Municipal Infrastructure Grant | Zwelisha Muti Busroute | 2 | 7,526,315 | - | - |
| Technical Services | Public Transport | Public Transport Infrastructure Grant | TUT Public transport Facility | 16 | - | - | 7,000,000 |
| Technical Services | Public Transport | Public Transport Infrastructure Grant | Rob Ferreira Hospital Public transport Facility | 16 | - | - | 7,000,000 |
| Technical Services | Public Transport | Public Transport Infrastructure Grant | Riverside Park Public transport Facility | 16 | - | - | 7,000,000 |
| Technical Services | Public Transport | Public Transport Infrastructure Grant | Matsulu Public transport Facility | 16 | - | - | 7,000,000 |
| Technical Services | Public Transport | Public Transport Infrastructure Grant | White River Public transport Facility | 16 | - | - | 12,000,000 |
| Technical Services | Public Transport | Public Transport Infrastructure Grant | Planning and Design Matsulu Busrank | 16 | - | 5,000,000 | - |
| Technical Services | Public Transport | Public Transport Infrastructure Grant | Planning, Design and Construction for KaNyamazane Busrank | 16 | - | 10,000,000 | - |
| Technical Services | Public Transport | Public Transport Infrastructure Grant | Planning and Design Swalala Busrank | 16 | - | 5,000,000 | - |
| Technical Services | Public Transport | Public Transport Infrastructure Grant | Planning and Design Kabokweni Busrank | 16 | - | 5,000,000 | - |
| Total | | | | | 597,285,838 | 645,729,341 | 739,718,787 |

The following graph provides a breakdown of the capital budget to be spent on infrastructure related projects over the MTREF.



4.1 ANNUAL BUDGET TABLES - PARENT MUNICIPALITY

The following tables are the ten main budget tables as required in terms of regulation 8 of the Municipal Budget and Reporting Regulations. These tables set out the municipality's 2013/14 budget and MTREF as approved by the Council. Each table is accompanied by *explanatory notes* on the facing page.

Table A1 - Budget Summary

| Description | 2009/10 | 2010/11 | 2011/12 | Current Year 2012/13 | | | | 2013/14 Medium Term Revenue & Expenditure Framework | | | |
|---|-------------|-----------------|-----------------|----------------------|-----------------|-----------------|--------------------|---|---------------------|------------------------|------------------------|
| | R thousands | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget | Adjusted Budget | Full Year Forecast | Pre-audit outcome | Budget Year 2013/14 | Budget Year +1 2014/15 | Budget Year +2 2015/16 |
| Financial Performance | | | | | | | | | | | |
| Property rates | 187,192 | 197,865 | 245,816 | 281,185 | 280,934 | 280,934 | 280,934 | 305,881 | 337,153 | 373,338 | |
| Service charges | 401,690 | 485,008 | 588,159 | 668,878 | 663,170 | 663,170 | 663,170 | 729,936 | 807,033 | 900,903 | |
| Investment revenue | 16,390 | 7,729 | 8,710 | 4,019 | 2,731 | 2,731 | 2,731 | 5,559 | 6,226 | 6,973 | |
| Transfers recognised - operational | 397,738 | 320,683 | 375,143 | 320,607 | 409,255 | 409,255 | 409,255 | 355,505 | 401,723 | 473,323 | |
| Other own revenue | 613,243 | 238,252 | 190,093 | 484,600 | 460,857 | 460,857 | 460,857 | 567,532 | 703,741 | 687,691 | |
| Total Revenue (excluding capital transfers and contributions) | 1,616,253 | 1,249,537 | 1,407,922 | 1,759,289 | 1,816,946 | 1,816,946 | 1,816,946 | 1,964,414 | 2,255,876 | 2,442,228 | |
| Employ ee costs | 297,223 | 368,952 | 392,418 | 431,400 | 411,663 | 411,663 | 411,663 | 468,291 | 523,730 | 566,630 | |
| Remuneration of councillors | 15,605 | 16,952 | 19,302 | 20,111 | 20,911 | 20,911 | 20,911 | 22,061 | 23,186 | 24,322 | |
| Depreciation & asset impairment | 196,892 | 283,437 | 292,083 | 288,339 | 283,839 | 283,839 | 283,839 | 291,149 | 323,798 | 365,641 | |
| Finance charges | 18,822 | 35,870 | 44,463 | 42,168 | 27,592 | 27,592 | 27,592 | 48,339 | 46,331 | 51,079 | |
| Materials and bulk purchases | 211,512 | 300,328 | 372,330 | 420,387 | 422,945 | 422,945 | 422,946 | 461,094 | 502,679 | 547,855 | |
| Transfers and grants | — | — | — | — | 20,150 | 20,150 | 20,150 | 45,005 | 47,972 | 51,061 | |
| Other expenditure | 560,899 | 456,150 | 549,770 | 500,849 | 547,055 | 547,055 | 547,055 | 504,806 | 527,677 | 562,649 | |
| Total Expenditure | 1,300,953 | 1,461,688 | 1,670,366 | 1,703,255 | 1,734,156 | 1,734,156 | 1,734,156 | 1,840,745 | 1,995,373 | 2,169,236 | |
| Surplus/(Deficit) | 315,300 | (212,152) | (262,445) | 56,035 | 82,790 | 82,790 | 82,790 | 123,669 | 260,503 | 272,992 | |
| Transfers recognised - capital | — | — | — | — | — | — | — | — | — | — | |
| Contributions recognised - capital & contributed a | — | — | — | — | — | — | — | — | — | — | |
| Surplus/(Deficit) after capital transfers & contributions | 315,300 | (212,152) | (262,445) | 56,035 | 82,790 | 82,790 | 82,790 | 123,669 | 260,503 | 272,992 | |
| Share of surplus/ (deficit) of associate | — | — | — | — | — | — | — | — | — | — | |
| Surplus/(Deficit) for the year | 315,300 | (212,152) | (262,445) | 56,035 | 82,790 | 82,790 | 82,790 | 123,669 | 260,503 | 272,992 | |
| Capital expenditure & funds sources | | | | | | | | | | | |
| Capital expenditure | 853,380 | 299,529 | 204,321 | 541,568 | 523,096 | 523,096 | 523,096 | 597,286 | 645,729 | 739,719 | |
| Transfers recognised - capital | 584,563 | 128,676 | 90,336 | 321,281 | 314,662 | 314,662 | 314,662 | 336,199 | 426,194 | 389,913 | |
| Public contributions & donations | 15,593 | 5,143 | 2,886 | 4,500 | 9,346 | 9,346 | 9,346 | 9,000 | — | — | |
| Borrowing | 130,940 | 70,140 | 33,130 | 137,330 | 59,971 | 59,971 | 59,971 | 87,541 | 10,437 | 81,347 | |
| Internally generated funds | 122,284 | 97,287 | 68,597 | 78,457 | 139,117 | 139,117 | 139,117 | 164,545 | 209,098 | 268,459 | |
| Total sources of capital funds | 853,380 | 301,246 | 194,948 | 541,568 | 523,096 | 523,096 | 523,096 | 597,286 | 645,729 | 739,719 | |
| Financial position | | | | | | | | | | | |
| Total current assets | 271,198 | 147,130 | 141,558 | 217,264 | 211,570 | 211,570 | 211,570 | 304,322 | 390,025 | 510,851 | |
| Total non current assets | 5,598,191 | 5,583,796 | 5,478,023 | 6,061,789 | 5,701,544 | 5,701,544 | 5,701,544 | 5,700,273 | 5,967,011 | 6,207,742 | |
| Total current liabilities | 573,033 | 499,937 | 587,428 | 184,593 | 240,532 | 240,532 | 240,532 | 208,560 | 203,677 | 202,145 | |
| Total non current liabilities | 148,712 | 329,815 | 393,423 | 459,311 | 336,261 | 336,261 | 336,261 | 388,057 | 384,063 | 379,869 | |
| Community wealth/Equity | 5,147,644 | 4,901,174 | 4,638,729 | 5,635,148 | 5,336,320 | 5,336,320 | 5,336,320 | 5,407,979 | 5,769,297 | 6,136,579 | |
| Cash flows | | | | | | | | | | | |
| Net cash from (used) operating | (778,927) | 247,384 | 180,315 | 400,448 | 461,107 | 461,107 | 461,107 | 526,771 | 704,672 | 766,368 | |
| Net cash from (used) investing | 163,971 | (312,476) | (188,808) | (515,432) | (432,718) | (432,718) | (432,718) | (503,403) | (598,314) | (697,584) | |
| Net cash from (used) financing | (8,437) | 137,046 | 28,511 | 204,868 | 51,316 | 51,316 | 51,316 | 72,740 | (19,358) | 53,131 | |
| Cash/cash equivalents at the year end | (56,180) | 15,774 | 35,792 | 132,301 | 110,156 | 110,156 | 110,156 | 206,263 | 293,264 | 415,179 | |
| Cash backing/surplus reconciliation | | | | | | | | | | | |
| Cash and investments available | (44,439) | 38,370 | 49,425 | 151,473 | 151,156 | 151,156 | 151,156 | 246,046 | 333,046 | 454,961 | |
| Application of cash and investments | 435,010 | 289,027 | 406,880 | 109,764 | 98,576 | 98,576 | 98,576 | 132,891 | 130,604 | 127,120 | |
| Balance - surplus (shortfall) | (479,449) | (250,657) | (357,455) | 41,709 | 52,581 | 52,581 | 52,581 | 113,155 | 202,442 | 327,841 | |
| Asset management | | | | | | | | | | | |
| Asset register summary (WDV) | 5,595,390 | 5,560,509 | 5,463,757 | 6,042,617 | 5,660,544 | 5,660,544 | 5,660,544 | 5,660,491 | 5,927,229 | 6,167,960 | |
| Depreciation & asset impairment | 196,892 | 283,437 | 292,083 | 288,339 | 283,839 | 283,839 | 291,149 | 291,149 | 323,798 | 365,641 | |
| Renewal of Existing Assets | 253,869 | 67,866 | 43,869 | 252,877 | 234,405 | 234,405 | 234,405 | 328,673 | 302,840 | 313,071 | |
| Repairs and Maintenance | 131,091 | 132,297 | 133,564 | 153,645 | 153,645 | 153,645 | 123,105 | 123,105 | 132,310 | 141,775 | |
| Free services | | | | | | | | | | | |
| Cost of Free Basic Services provided | 27,813 | 27,813 | 27,813 | 50,764 | 50,764 | 50,764 | 118,881 | 118,881 | 126,874 | 134,951 | |
| Revenue cost of free services provided | 120,431 | 120,431 | 120,431 | 152,994 | 152,994 | 152,994 | 348,149 | 348,149 | 357,223 | 366,058 | |
| <u>Households below minimum service level</u> | | | | | | | | | | | |
| Water: | 48 | 48 | 48 | 57 | 57 | 57 | 60 | 60 | 63 | 66 | |
| Sanitation/sewerage: | 31 | 31 | 31 | 35 | 35 | 35 | 37 | 37 | 39 | 40 | |
| Energy: | — | — | — | — | — | — | — | — | — | — | |
| Refuse: | 22 | 22 | 22 | 37 | 37 | 37 | 39 | 39 | 41 | 28 | |

Explanatory notes to Table A1 - Budget Summary

1. Table A1 is a budget summary and provides a concise overview of the Municipality's budget from all of the major financial perspectives (operating, capital expenditure, financial position, cash flow, and MFMA funding compliance).
2. The table provides an overview of the amounts approved by Council for operating performance, resources deployed to capital expenditure, financial position, cash and funding compliance, as well as the municipality's commitment to eliminating basic service delivery backlogs.
3. Financial management reforms emphasises the importance of the municipal budget being funded. This requires the simultaneous assessment of the Financial Performance, Financial Position and Cash Flow Budgets, along with the Capital Budget. The Budget Summary provides the key information in this regard:
 - (a) The operating surplus/deficit (after Total Expenditure) is positive over the MTREF
 - (b) Capital expenditure is balanced by capital funding sources, of which;
 - (i) Transfers recognised is reflected on the Financial Performance Budget;
 - (ii) Borrowing is incorporated in the net cash from financing on the Cash Flow Budget; and
 - (iii) Internally generated funds are financed from a combination of the current operating surplus and accumulated cash-backed surpluses from previous years. The amount is incorporated in the Net cash from investing on the Cash Flow Budget. The fact that the municipality's cash flow remains positive, and is improving indicates that the necessary cash resources are available to fund the Capital Budget.
4. The Cash backing/surplus reconciliation shows positive cash balance which means that the municipalities' obligation will be met for the rest of the MTREF after considering its application of cash and investments.
5. The section of Free Services shows that the amount spent on Free Basic Services by the municipality continues to increase whilst the revenue cost continues to decrease for the MTREF.
6. The total draft budget increase by R181 million (8.0%) to R2 438 billion in 2013/2014 financial year and increases by R652 million over the medium – term to R2 909 billion.
7. Operating expenditure budget increases by R107 million (6.1%) to R1 841 billion in 2013/2014 financial year and overall increases by R435 million to R2 169 billion over the medium- term.
8. Capital expenditure budget increases by R74 million (14.2%) to R597 million in 2013/2014 financial year and overall increases by R217 million to R740 million over the medium –term.

Table A2 - Budgeted Financial Performance (revenue and expenditure by standard classification)

| Standard Classification Description R thousand | Ref 1 | 2009/10 | 2010/11 | 2011/12 | Current Year 2012/13 | | | 2013/14 Medium Term Revenue & Expenditure Framework | | |
|---|----------|------------------|------------------|------------------|----------------------|------------------|--------------------|---|------------------------|------------------------|
| | | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget | Adjusted Budget | Full Year Forecast | Budget Year 2013/14 | Budget Year +1 2014/15 | Budget Year +2 2015/16 |
| Revenue - Standard | | | | | | | | | | |
| <i>Governance and administration</i> | | 471,566 | 497,880 | 574,273 | 937,452 | 1,002,286 | 1,002,286 | 1,082,469 | 1,241,592 | 1,342,160 |
| Executive and council | | — | 25 | 117 | 6 | 6 | 6 | 7 | 8 | 8 |
| Budget and treasury office | | 471,357 | 497,855 | 574,157 | 935,323 | 1,000,156 | 1,000,156 | 1,080,169 | 1,238,954 | 1,339,309 |
| Corporate services | | 209 | — | — | 2,123 | 2,123 | 2,123 | 2,293 | 2,630 | 2,843 |
| <i>Community and public safety</i> | | 140,919 | 76,841 | 15,022 | 40,323 | 34,442 | 34,442 | 40,048 | 48,947 | 56,615 |
| Community and social services | | 1,245 | 833 | 711 | 17,060 | 17,060 | 17,060 | 18,424 | 21,133 | 22,844 |
| Sport and recreation | | 120 | 50,563 | 10,638 | — | — | — | — | — | — |
| Public safety | | 139,283 | 25,075 | 3,293 | 10,624 | 4,743 | 4,743 | 7,973 | 12,157 | 16,845 |
| Housing | | — | — | — | — | — | — | — | — | — |
| Health | | 272 | 369 | 381 | 12,639 | 12,639 | 12,639 | 13,650 | 15,657 | 16,925 |
| <i>Economic and environmental services</i> | | 584,446 | 76,903 | 139,032 | 104,197 | 108,610 | 108,610 | 116,560 | 133,376 | 144,102 |
| Planning and development | | 2,308 | 5,384 | 2,222 | 3,332 | 3,332 | 3,332 | 3,598 | 4,127 | 4,461 |
| Road transport | | 582,138 | 71,519 | 136,810 | 100,865 | 105,278 | 105,278 | 112,962 | 129,249 | 139,641 |
| Environmental protection | | — | — | — | — | — | — | — | — | — |
| <i>Trading services</i> | | 419,322 | 597,913 | 679,595 | 677,317 | 671,608 | 671,608 | 725,337 | 831,961 | 899,350 |
| Electricity | | 333,719 | 414,588 | 510,427 | 566,806 | 562,699 | 562,699 | 607,715 | 697,049 | 753,511 |
| Water | | 31,085 | 85,059 | 65,351 | 35,563 | 34,339 | 34,339 | 37,086 | 42,538 | 45,984 |
| Waste water management | | 12,657 | 52,203 | 50,943 | 17,135 | 15,726 | 15,726 | 16,984 | 19,481 | 21,059 |
| Waste management | | 41,861 | 46,063 | 52,873 | 57,813 | 58,843 | 58,843 | 63,551 | 72,893 | 78,797 |
| <i>Other</i> | 4 | — | — | — | — | — | — | — | — | — |
| Total Revenue - Standard | 2 | 1,616,253 | 1,249,537 | 1,407,922 | 1,759,289 | 1,816,946 | 1,816,946 | 1,964,414 | 2,255,876 | 2,442,228 |
| Expenditure - Standard | | | | | | | | | | |
| <i>Governance and administration</i> | | 269,589 | 264,801 | 307,452 | 311,645 | 268,237 | 268,237 | 281,649 | 304,181 | 328,516 |
| Executive and council | | 139,917 | 24,744 | 27,481 | 39,967 | 64,124 | 64,124 | 67,330 | 72,716 | 78,534 |
| Budget and treasury office | | 61,290 | 240,058 | 279,972 | 200,574 | 94,333 | 94,333 | 99,050 | 106,974 | 115,532 |
| Corporate services | | 68,382 | — | — | 71,104 | 109,780 | 109,780 | 115,269 | 124,491 | 134,450 |
| <i>Community and public safety</i> | | 253,193 | 270,778 | 258,290 | 348,075 | 216,986 | 216,986 | 227,835 | 246,062 | 265,747 |
| Community and social services | | 124,412 | 43,566 | 40,802 | 176,261 | 31,539 | 31,539 | 33,116 | 35,765 | 38,626 |
| Sport and recreation | | 13,986 | 155,630 | 149,802 | 66,717 | 114,753 | 114,753 | 120,490 | 130,129 | 140,540 |
| Public safety | | 99,287 | 63,749 | 58,173 | 84,254 | 66,749 | 66,749 | 70,087 | 75,694 | 81,749 |
| Housing | | 4,590 | — | — | 8,658 | 3,945 | 3,945 | 4,143 | 4,474 | 4,832 |
| Health | | 10,918 | 7,832 | 9,513 | 12,185 | — | — | — | — | — |
| <i>Economic and environmental services</i> | | 548,971 | 248,014 | 287,889 | 592,631 | 451,560 | 451,560 | 494,019 | 540,909 | 598,415 |
| Planning and development | | 26,022 | 55,389 | 48,797 | 17,862 | 24,870 | 24,870 | 26,114 | 28,203 | 30,459 |
| Road transport | | 522,193 | 192,625 | 238,603 | 571,000 | 425,684 | 425,684 | 466,850 | 511,566 | 566,725 |
| Environmental protection | | 756 | — | 489 | 3,769 | 1,005 | 1,005 | 1,056 | 1,140 | 1,231 |
| <i>Trading services</i> | | 225,196 | 678,095 | 814,238 | 449,274 | 795,434 | 795,434 | 835,205 | 902,022 | 974,183 |
| Electricity | | 205,774 | 367,005 | 456,819 | 384,535 | 459,808 | 459,808 | 482,799 | 521,423 | 563,137 |
| Water | | 1,079 | 99,910 | 170,385 | 13,603 | 133,758 | 133,758 | 140,446 | 151,681 | 163,816 |
| Waste water management | | 1,658 | 113,985 | 70,523 | 11,535 | 94,217 | 94,217 | 98,928 | 106,842 | 115,390 |
| Waste management | | 16,684 | 97,195 | 116,511 | 39,600 | 107,650 | 107,650 | 113,033 | 122,075 | 131,841 |
| <i>Other</i> | 4 | 4,004 | 0 | 2,497 | 1,630 | 1,939 | 1,939 | 2,036 | 2,199 | 2,375 |
| Total Expenditure - Standard | 3 | 1,300,953 | 1,461,688 | 1,670,366 | 1,703,255 | 1,734,156 | 1,734,156 | 1,840,745 | 1,995,373 | 2,169,236 |
| Surplus/(Deficit) for the year | | 315,300 | (212,152) | (262,445) | 56,035 | 82,790 | 82,790 | 123,669 | 260,503 | 272,992 |

Explanatory notes to Table A2 - Budgeted Financial Performance (revenue and expenditure by standard classification)

1. Table A2 is a view of the budgeted financial performance in relation to revenue and expenditure per standard classification. The modified GFS standard classification divides the municipal services into 15 functional areas. Municipal revenue, operating expenditure and capital expenditure are then classified in terms of each of these functional areas which enables the National Treasury to compile 'whole of government' reports.
2. Note the Total Revenue on this table includes capital revenues (Transfers recognized – capital) does balance to the operating revenue shown on Table A4.
3. Note that as a general principle the revenues for the Trading Services should exceed their expenditures. The table highlights that this is not the case on Water, Waste water functions and the Waste management function. As already noted above, the municipality will be undertaking a detailed

study of this function to explore ways of improving efficiencies and provide a basis for re-evaluating the function's tariff structure.

Table A3 - Budgeted Financial Performance (revenue and expenditure by municipal vote)

| Vote Description R thousand | Ref | 2009/10 | 2010/11 | 2011/12 | Current Year 2012/13 | | | 2013/14 Medium Term Revenue & Expenditure Framework | | |
|---|----------|------------------|------------------|------------------|----------------------|------------------|--------------------|---|------------------------|------------------------|
| | | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget | Adjusted Budget | Full Year Forecast | Budget Year 2013/14 | Budget Year +1 2014/15 | Budget Year +2 2015/16 |
| <u>Revenue by Vote</u> | 1 | | | | | | | | | |
| COUNCIL | | - | 25 | 117 | - | - | - | - | - | - |
| OFFICE OF COUNCIL | | 198,406 | - | - | 6 | 6 | 6 | 7 | 8 | 8 |
| OFFICE OF THE CHIEF WHIP | | - | - | - | - | - | - | - | - | - |
| PLANNING, PERFORMANCE & MONITORING | | - | - | - | - | - | - | - | - | - |
| OFFICE OF THE MUNICIPAL MANAGER | | 51,588 | - | - | - | - | - | - | - | - |
| OFFICE OF THE DEPUTY MUNICIPAL MANAGER | | - | - | - | - | - | - | - | - | - |
| FINANCIAL SERVICES | | 446,665 | 497,855 | 576,654 | 930,611 | 988,268 | 988,268 | 1,070,180 | 1,230,508 | 1,333,883 |
| TRANSVERSAL SERVICES | | - | - | - | - | - | - | - | - | - |
| CORPORATE SERVICES | | 1,973 | - | - | 1,006 | 1,006 | 1,006 | 1,087 | 1,246 | 1,347 |
| COMMUNITY SERVICES | | 146,873 | 122,904 | 67,895 | 176,114 | 176,114 | 176,114 | 190,203 | 218,163 | 235,834 |
| MUNICIPAL PLANNING & DEVELOPMENT | | 49,191 | 5,384 | 2,222 | 5,406 | 5,406 | 5,406 | 5,838 | 6,697 | 7,239 |
| TECHNICAL SERVICES | | 721,557 | 623,368 | 761,034 | 646,147 | 646,147 | 646,147 | 697,099 | 799,254 | 863,917 |
| 0 | | - | - | - | - | - | - | - | - | - |
| 0 | | - | - | - | - | - | - | - | - | - |
| 0 | | - | - | - | - | - | - | - | - | - |
| Total Revenue by Vote | 2 | 1,616,253 | 1,249,536 | 1,407,922 | 1,759,289 | 1,816,946 | 1,816,946 | 1,964,414 | 2,255,876 | 2,442,228 |
| <u>Expenditure by Vote to be appropriated</u> | 1 | | | | | | | | | |
| COUNCIL | | 68,732 | 24,744 | 27,481 | 7,685 | 20,436 | 20,436 | 21,458 | 23,175 | 25,029 |
| OFFICE OF COUNCIL | | 49,094 | - | - | 27,495 | 16,987 | 16,987 | 17,837 | 19,263 | 20,805 |
| OFFICE OF THE CHIEF WHIP | | 9,819 | - | - | 963 | - | - | - | - | - |
| PLANNING, PERFORMANCE & MONITORING | | 8,668 | - | - | 18,258 | 20,668 | 20,668 | 21,701 | 23,437 | 25,312 |
| OFFICE OF THE MUNICIPAL MANAGER | | 8,097 | - | 489 | 15,449 | 18,676 | 18,676 | 19,610 | 21,179 | 22,873 |
| OFFICE OF THE DEPUTY MUNICIPAL MANAGER | | 1,357 | - | - | (703) | 2,297 | 2,297 | 2,412 | 2,605 | 2,813 |
| FINANCIAL SERVICES | | 61,290 | 240,058 | 282,469 | 210,874 | 203,124 | 203,124 | 213,280 | 232,863 | 260,399 |
| TRANSVERSAL SERVICES | | 2,121 | - | - | 4,871 | 5,384 | 5,384 | 5,654 | 6,106 | 6,594 |
| CORPORATE SERVICES | | 58,003 | - | - | 46,057 | 48,816 | 48,816 | 51,257 | 55,358 | 59,786 |
| COMMUNITY SERVICES | | 271,277 | 367,973 | 374,801 | 394,203 | 389,094 | 389,094 | 408,549 | 441,233 | 476,531 |
| MUNICIPAL PLANNING & DEVELOPMENT | | 105,175 | 55,389 | 48,797 | 53,497 | 54,065 | 54,065 | 56,768 | 61,310 | 66,214 |
| TECHNICAL SERVICES | | 657,319 | 773,524 | 936,330 | 924,604 | 954,608 | 954,608 | 1,022,220 | 1,108,846 | 1,202,880 |
| 0 | | - | - | - | - | - | - | - | - | - |
| 0 | | - | - | - | - | - | - | - | - | - |
| 0 | | - | - | - | - | - | - | - | - | - |
| Total Expenditure by Vote | 2 | 1,300,953 | 1,461,688 | 1,670,367 | 1,703,255 | 1,734,156 | 1,734,156 | 1,840,745 | 1,995,373 | 2,169,236 |
| Surplus/(Deficit) for the year | 2 | 315,300 | (212,152) | (262,445) | 56,035 | 82,790 | 82,790 | 123,669 | 260,503 | 272,992 |

Explanatory notes Table A3 - Budgeted Financial Performance (revenue and expenditure by municipal vote)

1. Table A3 is a view of the budgeted financial performance in relation to the revenue and expenditure per municipal vote. This table facilitates the view of the budgeted operating performance in relation to the organisational structure of the Municipality. This means it is possible to present the operating surplus or deficit of a vote.
2. This shows that some departments within the municipality are not revenue generating departments and therefore such departments will always have deficits where their expenditures exceed revenue, but the revenue generating departments will have revenue higher than the expenditure at department level which later contributes to the overall surplus of the municipality.

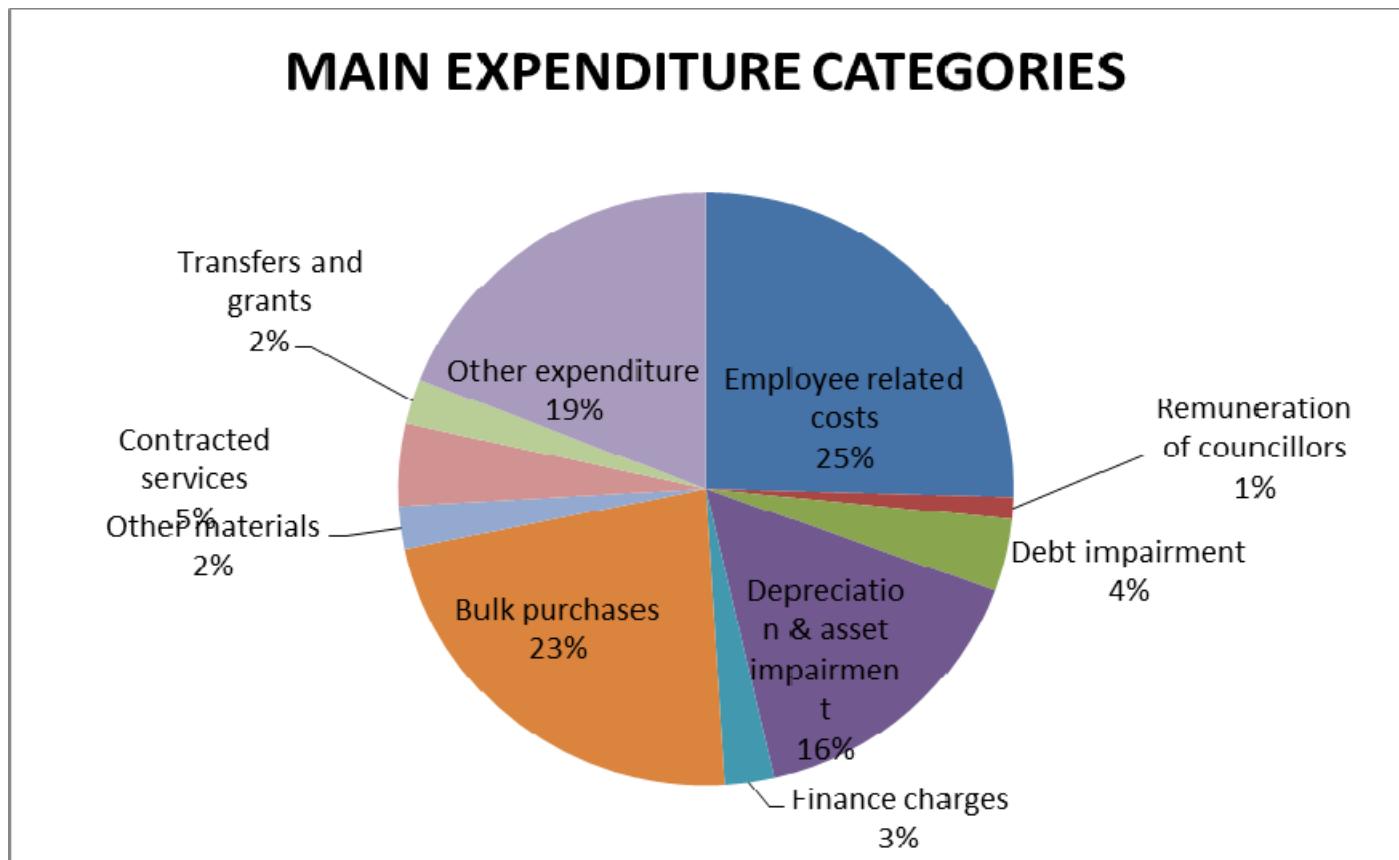
Table A4 - Budgeted Financial Performance (revenue and expenditure)

| MP322 Mbombela - Table A4 Budgeted Financial Performance (revenue and expenditure) | | | | Current Year 2011/12 | | | | 2012/13 Medium term Revenue & Expenditure Framework | | |
|--|-----------------|-----------------|-----------------|----------------------|-----------------|--------------------|-------------------|---|------------------------|------------------------|
| Description | 2008/9 | 2009/10 | 2010/11 | Original Budget | Adjusted Budget | Full Year Forecast | Pre-audit outcome | Budget Year 2012/13 | Budget Year +1 2013/14 | Budget Year +2 2014/15 |
| R thousand | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget | Adjusted Budget | Full Year Forecast | Pre-audit outcome | Budget Year 2012/13 | Budget Year +1 2013/14 | Budget Year +2 2014/15 |
| <u>Revenue By Source</u> | | | | | | | | | | |
| Property rates | 155 406 | 187 192 | 197 865 | 239 445 | 246 745 | 246 745 | 246 745 | 281 185 | 310 463 | 346 037 |
| Service charges - electricity revenue | 227 314 | 328 997 | 400 935 | 525 034 | 491 034 | 491 034 | 491 034 | 565 108 | 643 173 | 743 855 |
| Service charges - water revenue | 18 428 | 18 176 | 18 101 | 23 250 | 21 519 | 21 519 | 21 519 | 28 744 | 32 075 | 36 105 |
| Service charges - sanitation revenue | 12 886 | 12 657 | 12 644 | 13 577 | 15 377 | 15 377 | 15 377 | 17 214 | 19 208 | 21 605 |
| Service charges - refuse revenue | 38 306 | 41 861 | 45 782 | 52 700 | 51 410 | 51 410 | 51 410 | 57 813 | 65 184 | 74 525 |
| Rental of facilities and equipment | 1 596 | 1 412 | 24 220 | 23 064 | 14 047 | 14 047 | 14 047 | 19 441 | 21 560 | 22 913 |
| Interest earned - external investments | 41 267 | 16 390 | 7 729 | 4 301 | 4 019 | 4 019 | 4 019 | 4 019 | 4 019 | 4 019 |
| Interest earned - outstanding debtors | 30 810 | 24 027 | 18 625 | 18 339 | 15 521 | 15 521 | 15 521 | 18 954 | 21 195 | 23 704 |
| Fines | 4 557 | 3 023 | 3 079 | 3 742 | 2 162 | 2 162 | 2 162 | 3 742 | 4 117 | 4 488 |
| Licences and permits | 6 | 9 | 6 | 5 299 | 6 299 | 6 299 | 6 299 | 5 299 | 6 093 | 7 007 |
| Agency services | 18 834 | 20 137 | 20 663 | 71 688 | 71 688 | 71 688 | 71 688 | 87 272 | 95 999 | 105 599 |
| Transfers recognised - operational | 179 798 | 397 738 | 314 329 | 298 622 | 298 997 | 298 997 | 298 997 | 320 607 | 351 912 | 387 174 |
| Other revenue | 625 767 | 564 371 | 164 746 | 318 674 | 351 361 | 351 361 | 351 361 | 349 893 | 402 073 | 308 986 |
| Gains on disposal of PPE | - | 263 | 5 126 | 9 555 | 9 555 | 9 555 | 9 555 | - | - | - |
| Total Revenue (excluding capital transfers and contributions) | 1 354 976 | 1 616 253 | 1 233 850 | 1 607 288 | 1 599 731 | 1 599 731 | 1 599 731 | 1 759 289 | 1 977 071 | 2 086 017 |
| <u>Expenditure By Type</u> | | | | | | | | | | |
| Employee related costs | 242 642 | 297 223 | 368 952 | 385 974 | 386 418 | 386 418 | 386 418 | 431 400 | 489 728 | 529 472 |
| Remuneration of councillors | 13 811 | 15 605 | 16 952 | 18 673 | 18 973 | 18 973 | 18 973 | 20 111 | 21 116 | 22 172 |
| Debt impairment | 101 931 | 51 063 | 8 993 | 68 318 | 84 181 | 84 181 | 84 181 | 76 009 | 85 613 | 72 968 |
| Depreciation & asset impairment | 282 854 | 196 892 | 284 000 | 352 484 | 285 484 | 285 484 | 285 484 | 288 339 | 290 646 | 292 971 |
| Finance charges | 11 517 | 18 822 | 35 869 | 41 467 | 37 429 | 37 429 | 37 429 | 42 168 | 41 943 | 59 140 |
| Bulk purchases | 171 599 | 211 512 | 272 998 | 323 521 | 335 443 | 335 443 | 335 443 | 380 728 | 434 943 | 489 811 |
| Other materials | - | - | - | 34 315 | 31 016 | 31 016 | 31 016 | 19 599 | 19 599 | 23 891 |
| Contracted services | 95 202 | 174 467 | 172 951 | 172 306 | 158 751 | 158 751 | 158 751 | 86 819 | 91 681 | 96 265 |
| Other expenditure | 187 637 | 335 370 | 273 132 | 190 819 | 214 911 | 214 911 | 214 911 | 358 082 | 379 835 | 397 572 |
| Loss on disposal of PPE | 37 | - | - | - | - | - | - | - | - | - |
| Total Expenditure | 1 107 229 | 1 300 953 | 1 433 847 | 1 587 876 | 1 552 607 | 1 552 607 | 1 552 607 | 1 703 255 | 1 855 104 | 1 984 263 |
| Surplus/(Deficit) | 247 746 | 315 300 | (199 997) | 19 411 | 47 125 | 47 125 | 47 125 | 56 035 | 121 967 | 101 754 |

Explanatory notes to Table A4 - Budgeted Financial Performance (revenue and expenditure)

- The municipality will receive most of its revenue from service charge (electricity, water, sewerage and refuse removal services) amounting to R730 million indicating an increase of R67 million (9.8%) in 2013/2014 financial year and increases to R901 million over the medium-term. The revenue from electricity service charge remains relatively high at R616 million (31%) of the total operating revenue budget and other services charge contributes 5.8%.
- The revenue from property rates will amount to R306 million after taking into account rates rebates in terms of the rates policy amounting to R133 million in 2013/2014 financial year and increases to R373 million over the medium-term. The property rates revenue contributes about 16% of the total operating revenue budget.
- Operating grants allocation comprising of equitable share and other small grants contributes 18% to the total operating revenue budget and will amount to R356 million in 2013/2014 financial year.

4. Revenue to be recognised from conditional grants after the grants have been utilized for the intended purpose will amount to R391 million, contributing 20% to the total operating revenue budget.
5. The following graph illustrates the major expenditure items per type



The employees' remuneration cost will be R468 million in 2013/2014 financial year due to an increase of R57 million (13.8%) and the expenditure to the total operating revenue budget, excluding conditional grants is 30%. The employees remuneration cost will increase to R567 million in 2015/2016 financial year and the expenditure to the total operating budget will be 29%. Included in the employees remuneration cost budget is amount of R53 million for filling critical vacant posts, especially in Service Delivery Departments over the medium-term as per the implementation of the new organizational structure approved by council, under item A(65) of 27 October 2011.

The bulk purchase expenditure is mainly expenditure for bulk electricity purchase from Eskom and will increase to R418 million due to an average increase of 9% granted to Eskom by the National Energy Regulator of South Africa, the increase will come into effect from 01 July 2013.

The depreciation cost will be R291 million make up 16% of the total operating expenditure and is about 5% of the total assets carrying value of R5 321 billion. The depreciation costs represent the rate at which the assets of the municipality are utilized in rendering services and therefore the cost should be provided for/included on the budget to ensure the current ratepayers and users of the municipal services are able to contribute towards the refurbishment, upgrade and renewal of the assets.

The other expenditure increases by 31% to R372 million in 2013/2014 and the overall increase over the medium-term is R134 million (47%) to R418 million in 2015/2016 financial year. The increase on the

other expenditure is due to the allocation of R98 million and in total R315 million for funding of operational programmes in line with the municipal development priorities and breakdown of the total expenditure for operating programmes per municipal development priorities is as tabulated below;

Due to inadequate payment of municipal accounts, provision has been made for impairment of debts amounting to R73 million in 2013/2014 financial year. The provision for debt impairment represents about 7% of the total revenue to be generated from property rates and services charge such as electricity, water, refuse removal and sewerage.

The municipality has allocated an amount of R148 million in the 2013/2014 financial year for provision of free basic services. The following free basic services will be provided in accordance with the criteria set on the indigent policy of the municipality;

Table A5 - Budgeted Capital Expenditure by vote, standard classification and funding source

| Vote Description R thousand | Ref 1 | 2009/10 | 2010/11 | 2011/12 | Current Year 2012/13 | | | | 2013/14 Medium Term Revenue & Expenditure Framework | | |
|---|----------|-----------------|-----------------|-----------------|----------------------|-----------------|--------------------|-------------------|---|------------------------|------------------------|
| | | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget | Adjusted Budget | Full Year Forecast | Pre-audit outcome | Budget Year 2013/14 | Budget Year +1 2014/15 | Budget Year +2 2015/16 |
| <u>Capital expenditure - Vote</u> | | | | | | | | | | | |
| Multi-year expenditure <i>to be appropriated</i> | 2 | 474 | - | - | - | 3,275 | 3,275 | 3,275 | - | - | - |
| COUNCIL | | - | - | - | - | - | - | - | - | - | - |
| OFFICE OF COUNCIL | | - | - | - | - | - | - | - | - | - | - |
| OFFICE OF THE CHIEF WHIP | | - | - | - | - | - | - | - | - | - | - |
| PLANNING, PERFORMANCE & MONITORING | | 91 | - | - | 4,870 | 7,532 | 7,532 | 7,532 | 9,200 | 13,100 | 13,000 |
| OFFICE OF THE MUNICIPAL MANAGER | | 1,693 | 1,777 | 1,866 | - | - | - | - | - | - | - |
| OFFICE OF THE DEPUTY MUNICIPAL MANAGER | | - | - | - | - | - | - | - | 500 | 300 | 400 |
| FINANCIAL SERVICES | | 697 | 732 | 769 | 9,500 | 8,200 | 8,200 | 8,200 | 9,450 | 7,650 | 7,200 |
| TRANSVERSAL SERVICES | | - | - | - | - | - | - | - | - | - | - |
| CORPORATE SERVICES | | 1,910 | 2,006 | 2,106 | 5,000 | 5,323 | 5,323 | 5,323 | 12,690 | 13,470 | 8,030 |
| COMMUNITY SERVICES | | 124,044 | 47,246 | 49,608 | 26,367 | 26,237 | 26,237 | 26,237 | 36,439 | 59,522 | 82,787 |
| MUNICIPAL PLANNING & DEVELOPMENT | | 33,381 | 11,050 | 11,603 | 17,050 | 5,424 | 5,424 | 5,424 | 24,890 | 34,431 | 67,360 |
| TECHNICAL SERVICES | | 691,091 | 238,434 | 128,997 | 329,844 | 333,045 | 333,045 | 333,045 | 265,926 | 415,184 | 365,501 |
| 0 | | - | - | - | - | - | - | - | - | - | - |
| 0 | | - | - | - | - | - | - | - | - | - | - |
| 0 | | - | - | - | - | - | - | - | - | - | - |
| Capital multi-year expenditure sub-total | 7 | 853,380 | 301,246 | 194,948 | 392,631 | 389,037 | 389,037 | 389,037 | 359,095 | 543,657 | 544,279 |
| Single-year expenditure <i>to be appropriated</i> | 2 | - | - | - | - | - | - | - | - | - | - |
| COUNCIL | | - | - | - | - | - | - | - | - | - | - |
| OFFICE OF COUNCIL | | - | - | - | 850 | 850 | 850 | 850 | - | - | - |
| OFFICE OF THE CHIEF WHIP | | - | - | - | - | - | - | - | - | - | - |
| PLANNING, PERFORMANCE & MONITORING | | - | - | - | - | - | - | - | 1,500 | - | - |
| OFFICE OF THE MUNICIPAL MANAGER | | - | - | - | - | - | - | - | - | - | - |
| OFFICE OF THE DEPUTY MUNICIPAL MANAGER | | - | - | - | - | - | - | - | - | - | - |
| FINANCIAL SERVICES | | - | - | - | 200 | 200 | 200 | 200 | 3,000 | - | - |
| TRANSVERSAL SERVICES | | - | - | - | - | - | - | - | - | - | - |
| CORPORATE SERVICES | | - | - | - | 1,090 | 1,090 | 1,090 | 1,090 | 2,500 | 1,800 | 2,700 |
| COMMUNITY SERVICES | | - | - | - | 19,140 | 19,140 | 19,140 | 19,140 | 11,500 | 15,000 | 31,000 |
| MUNICIPAL PLANNING & DEVELOPMENT | | - | - | - | 13,250 | 6,736 | 6,736 | 6,736 | 4,000 | - | - |
| TECHNICAL SERVICES | | - | - | - | 114,407 | 106,043 | 106,043 | 106,043 | 215,691 | 85,272 | 161,740 |
| 0 | | - | - | - | - | - | - | - | - | - | - |
| 0 | | - | - | - | - | - | - | - | - | - | - |
| 0 | | - | - | - | - | - | - | - | - | - | - |
| Capital single-year expenditure sub-total | - | - | - | - | 148,937 | 134,059 | 134,059 | 134,059 | 238,191 | 102,072 | 195,440 |
| Total Capital Expenditure - Vote | | 853,380 | 301,246 | 194,948 | 541,568 | 523,096 | 523,096 | 523,096 | 597,286 | 645,729 | 739,719 |
| <u>Capital Expenditure - Standard</u> | | | | | | | | | | | |
| Governance and administration | | 4,865 | 9,100 | 15,172 | 22,970 | 23,574 | 23,574 | 23,574 | 22,140 | 21,120 | 15,230 |
| Executive and council | | 2,166 | - | - | - | 11,800 | 11,800 | 11,800 | - | - | - |
| Budget and treasury office | | 697 | 2,461 | 15,172 | 5,400 | 4,881 | 4,881 | 4,881 | 9,450 | 7,650 | 7,200 |
| Corporate services | | 2,001 | 6,639 | - | 17,570 | 6,893 | 6,893 | 6,893 | 12,690 | 13,470 | 8,030 |
| Community and public safety | | 124,044 | 26,103 | 21,831 | 46,357 | 35,841 | 35,841 | 35,841 | 37,839 | 40,086 | 42,078 |
| Community and social services | | 100,736 | 2,663 | 16,065 | 36,380 | 11,017 | 11,017 | 11,017 | 13,015 | 14,021 | 16,013 |
| Sport and recreation | | - | 13,181 | 134 | 6,000 | 16,283 | 16,283 | 16,283 | 16,283 | 17,097 | 17,097 |
| Public safety | | 23,308 | 10,259 | 5,632 | 3,977 | 8,541 | 8,541 | 8,541 | 8,541 | 8,968 | 8,968 |
| Housing | | - | - | - | - | - | - | - | - | - | - |
| Health | | - | - | - | - | - | - | - | - | - | - |
| Economic and environmental services | | 97,787 | 62,605 | 76,535 | 214,166 | 237,481 | 237,481 | 237,481 | 298,820 | 358,049 | 316,423 |
| Planning and development | | 33,381 | 784 | 1,373 | 18,350 | 11,847 | 11,847 | 11,847 | 12,439 | 12,439 | 12,439 |
| Road transport | | 64,406 | 61,821 | 75,162 | 195,816 | 225,635 | 225,635 | 225,635 | 286,381 | 345,610 | 303,984 |
| Environmental protection | | - | - | - | - | - | - | - | - | - | - |
| Trading services | | 127,222 | 201,721 | 90,783 | 258,075 | 226,199 | 226,199 | 226,199 | 238,487 | 226,474 | 365,988 |
| Electricity | | 28,130 | 58,189 | 22,536 | 56,731 | 47,736 | 47,736 | 47,736 | 40,447 | 23,354 | 53,417 |
| Water | | 99,092 | 100,226 | 42,209 | 130,989 | 90,131 | 90,131 | 90,131 | 147,240 | 171,223 | 244,125 |
| Waste water management | | - | - | - | 50,755 | 83,124 | 83,124 | 83,124 | 35,039 | 6,000 | 18,150 |
| Waste management | | - | - | 43,306 | 26,039 | 19,600 | 5,208 | 5,208 | 15,761 | 25,897 | 50,297 |
| Other | | 499,462 | - | - | - | - | - | - | - | - | - |
| Total Capital Expenditure - Standard | 3 | 853,380 | 299,529 | 204,321 | 541,568 | 523,096 | 523,096 | 523,096 | 597,286 | 645,729 | 739,719 |
| Funded by: | | | | | | | | | | | |
| National Government | | 578,563 | 128,676 | 90,336 | 321,281 | 314,662 | 314,662 | 314,662 | 336,199 | 426,194 | 389,913 |
| Provincial Government | | 6,000 | - | - | - | - | - | - | - | - | - |
| District Municipality | | - | - | - | - | - | - | - | - | - | - |
| Other transfers and grants | | - | - | - | - | - | - | - | - | - | - |
| Transfers recognised - capital | 4 | 584,563 | 128,676 | 90,336 | 321,281 | 314,662 | 314,662 | 314,662 | 336,199 | 426,194 | 389,913 |
| Public contributions & donations | 5 | 15,593 | 5,143 | 2,886 | 4,500 | 9,346 | 9,346 | 9,346 | 9,000 | - | - |
| Borrowing | 6 | 130,940 | 70,140 | 33,130 | 137,330 | 59,971 | 59,971 | 59,971 | 87,541 | 10,437 | 81,347 |
| Internally generated funds | | 122,284 | 97,287 | 68,597 | 78,457 | 139,117 | 139,117 | 139,117 | 164,545 | 209,098 | 268,459 |
| Total Capital Funding | 7 | 853,380 | 301,246 | 194,948 | 541,568 | 523,096 | 523,096 | 523,096 | 597,286 | 645,729 | 739,719 |

Explanatory notes to Table A5 - Budgeted Capital Expenditure by vote, standard classification and funding source

1. Table A5 is a breakdown of the capital programme in relation to capital expenditure by municipal vote (multi-year and single-year appropriations); capital expenditure by standard classification; and the funding sources necessary to fund the capital budget, including information on capital transfers from national and provincial departments.
2. The MFMA provides that a municipality may approve multi-year or single-year capital budget appropriations. In relation to multi-year appropriations, for 2013/14 R359 million has been allocated of the total R597 million capital budget, which totals 60%. This allocation escalates to R543 million in 2014/15 and R544 million in 2015/16.
3. Single-year capital expenditure has been appropriated at R238 million for the 2013/14 to R298 million in 2015/16.
4. Unlike multi-year capital appropriations, single-year appropriations relate to expenditure that will be incurred in the specific budget year such as the procurement of vehicles and specialized tools and equipment. The budget appropriations for the two outer years are indicative allocations based on the departmental business plans as informed by the IDP and will be reviewed on an annual basis to assess the relevance of the expenditure in relation to the strategic objectives and service delivery imperatives of the Municipality. For the purpose of funding assessment of the MTREF, these appropriations have been included but no commitments will be incurred against single-year appropriations for the two outer-years.
5. The allocation of the capital funding on projects was based on the municipal priorities informed by the public participation and consultative process conducted during the review of the Integrated Development Plan (IDP).
6. The municipality will be spending in the next three years R1 477 billion (74%) of the total capital expenditure budget) on services infrastructure development to address backlogs in terms of;
 - Allocation for bulk water amounts to R294 million which will be given MEGA for the upgrade of the Karino and Nyongane Bulk Water Schemes – R81 million has been allocated for 2013/2014 financial year;
 - Allocation for renewal and construction of new water reticulation networks amounts to R268 million over the medium-term – R66 million has been allocated for 2013/2014 financial year;
 - Allocation for renewal and construction of new roads and stormwater systems amounts to R371 million over the medium-term – R124 million has been allocated for 2013/2014 financial year;
 - Allocation for renewal and construction of new electricity infrastructure amounts to R116 million over the medium-term – R40 million has been allocated for 2013/2014 financial year;
 - Allocation for provision of decent sanitation and upgrade of existing wastewater and sewerage networks amounts to R59 million over the medium-term – R35 million has been allocated for 2013/2014 financial year; and
 - Allocation for new public transport infrastructure amounts to R368 million over the medium-term – R108 million has been allocated for 2013/2014 financial year.
7. According to the agreement entered into with MEGA for the provision of the bulk water infrastructure R370 million over the next three financial years is required for the projects however the municipality is able to provide R294 million over the same period.

And therefore a shortfall of R76 million has been identified which requires to be sourced through engagement of the other spheres of government and other authorities.

For instance the Department of Water and Environmental Affairs (DWEA) has allocated an amounting to R35 million over the medium-term for the upgrade of the Nyongane Water Scheme which the implementing agent for this project is Ehlanzeni District Municipality. It will sensible to request the

DWEA contribute the R35 million towards this programme and that will bring the shortfall to R41 million.

Draft Capital Expenditure Budget per Municipal Priority

| MUNICIPAL PRIORITY | 2013/2014 BUDGET FORECAST | 2014/2015 BUDGET ESTIMATE | 2015/2016 BUDGET ESTIMATE | BUDGET % |
|--|---------------------------------|---------------------------------|---------------------------------|-------------|
| Water Supply | R 147,240,004 | R 171,223,032 | R 244,124,596 | 25% |
| Road Infrastructure development and Stormwater | R 123,742,553 | R 121,599,335 | R 124,711,450 | 21% |
| Public Transport | R 108,563,158 | R 171,122,170 | R 87,909,000 | 18% |
| Electricity Supply and Management | R 40,447,368 | R 23,353,947 | R 53,416,667 | 7% |
| Community Development | R 37,657,544 | R 46,322,895 | R 54,870,000 | 6% |
| Sanitation/Sewerage | R 35,038,596 | R 6,000,000 | R 18,150,000 | 6% |
| Good governance and Public Participation | R 33,110,000 | R 33,630,000 | R 26,180,000 | 6% |
| Economic Development | R 21,845,371 | R 22,609,420 | R 36,860,582 | 4% |
| Waste and Environment Management | R 15,760,605 | R 25,897,017 | R 50,296,596 | 3% |
| Intergated Human Settlements | R 10,530,638 | R 9,016,256 | R 24,298,297 | 2% |
| Rural Development | R 9,900,000 | R 2,805,270 | R 6,201,600 | 2% |
| Financial Management and Viability | R 8,750,000 | R 7,350,000 | R 7,200,000 | 1% |
| Revenue Enhancement | R 4,700,000 | R 4,800,000 | R 5,500,000 | 1% |
| Grand Total | R 597,285,838 | R 645,729,341 | R 739,718,787 | 100% |

Table A6 - Budgeted Financial Position

| Description | 2009/10 | 2010/11 | 2011/12 | Current Year 2012/13 | | | | 2013/14 Medium Term Revenue & Expenditure Framework | | | | |
|--|------------------|------------------|------------------|----------------------|------------------|------------------|------------------|---|--------------------|-------------------|---------------------|------------------------|
| | | | | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget | Adjusted Budget | Full Year Forecast | Pre-audit outcome | Budget Year 2013/14 | Budget Year +1 2014/15 |
| R thousand | | | | | | | | | | | | |
| ASSETS | | | | | | | | | | | | |
| Current assets | | | | | | | | | | | | |
| Cash | 25 864 540 | 15 773 | 35 792 | 132 301 | 110 156 | 110 156 | 110 156 | 206 263 | 293 264 | 415 179 | | |
| Consumer debtors | 47 382 | 72 165 | 79 701 | 53 408 | 69 859 | 69 859 | 69 859 | 67 763 | 64 042 | 60 336 | | |
| Other debtors | 183 386 | 44 946 | 11 120 | 15 961 | 15 961 | 15 961 | 15 961 | 15 274 | 16 496 | 17 816 | | |
| Current portion of long-term receivables | - | 254 | 65 | - | - | - | - | - | - | - | | |
| Inventory | 14 564 714 | 13 992 | 14 880 | 15 594 | 15 594 | 15 594 | 15 594 | 15 021 | 16 223 | 17 521 | | |
| Total current assets | 271 198 | 147 130 | 141 558 | 217 264 | 211 570 | 211 570 | 211 570 | 304 322 | 390 025 | 510 851 | | |
| Non current assets | | | | | | | | | | | | |
| Long-term receivables | 1 059 679 | 480 | 633 | - | - | - | - | - | - | - | | |
| Investments | 11 741 844 | 22 597 | 13 633 | 19 171 | 41 000 | 41 000 | 41 000 | 39 782 | 39 782 | 39 782 | | |
| Investment property | 404 441 230 | 352 913 | 341 310 | 401 473 | 401 473 | 401 473 | 401 473 | 339 857 | 339 857 | 339 857 | | |
| Investment in Associate | | | - | | | | | | | | | |
| Property, plant and equipment | 5 178 103 | 5 200 203 | 5 115 111 | 5 641 144 | 5 259 071 | 5 259 071 | 5 259 071 | 5 320 634 | 5 587 372 | 5 828 103 | | |
| Intangible | 2 846 | 7 603 | 7 336 | | | | | - | | | | |
| Total non current assets | 5 598 191 | 5 583 796 | 5 478 023 | 6 061 789 | 5 701 544 | 5 701 544 | 5 701 544 | 5 700 273 | 5 967 011 | 6 207 742 | | |
| TOTAL ASSETS | 5 869 389 | 5 730 925 | 5 619 580 | 6 279 052 | 5 913 114 | 5 913 114 | 5 913 114 | 6 004 595 | 6 357 037 | 6 718 594 | | |

Explanatory notes to Table A6 - Budgeted Financial Position

1. Table A6 is consistent with international standards of good financial management practice, and improves understandability for councilors and management of the impact of the budget on the statement of financial position (balance sheet).
2. This format of presenting the statement of financial position is aligned to GRAP1, which is generally aligned to the international version which presents Assets less Liabilities as “accounting” Community Wealth. The order of items within each group illustrates items in order of liquidity; i.e. assets readily converted to cash, or liabilities immediately required to be met from cash, appear first.
3. Table SA3 is supported by an extensive table of notes providing a detailed analysis of the major components of a number of items, including:
 - Call investments deposits;
 - Consumer debtors;
 - Property, plant and equipment;
 - Trade and other payables;
 - Provisions non-current;
 - Changes in net assets; and
 - Reserves
4. The municipal equivalent of equity is Community Wealth/Equity. The justification is that ownership and the net assets of the municipality belong to the community.

Table A7 - Budgeted Cash Flow Statement

| Description | 2009/10 | 2010/11 | 2011/12 | Current Year 2012/13 | | | | 2013/14 Medium Term Revenue & Expenditure Framework | | | |
|--|------------------|------------------|------------------|----------------------|------------------|------------------|--------------------|---|---------------------|------------------------|------------------------|
| | R thousand | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget | Adjusted Budget | Full Year Forecast | Pre-audit outcome | Budget Year 2013/14 | Budget Year +1 2014/15 | Budget Year +2 2015/16 |
| CASH FLOW FROM OPERATING ACTIVITIES | | | | | | | | | | | |
| Receipts | | | | | | | | | | | |
| Ratepayers and other | 156 534 | 940 502 | 1 039 707 | 1 227 225 | 1 087 490 | 1 087 490 | 1 087 490 | 1 140 540 | 1 275 432 | 1 421 672 | |
| Government - operating | 397 738 | 320 683 | 375 143 | 320 607 | 358 499 | 358 499 | 358 499 | 355 505 | 401 723 | 473 323 | |
| Government - capital | 528 045 | 122 033 | 89 511 | 248 523 | 309 671 | 309 671 | 309 671 | 390 636 | 505 617 | 465 792 | |
| Interest | 40 417 | 26 354 | 28 020 | – | 2 647 | 2 647 | 2 647 | 5 225 | 5 852 | 6 554 | |
| Payments | | | | | | | | | | | |
| Suppliers and employees | (1 882 840) | (1 126 318) | (1 307 602) | (1 355 846) | (1 258 483) | (1 258 483) | (1 258 483) | (1 308 625) | (1 428 110) | (1 538 965) | |
| Finance charges | (18 822) | (35 869) | (44 463) | (40 060) | (17 666) | (17 666) | (17 666) | (34 198) | (32 190) | (36 937) | |
| Transfers and Grants | – | – | – | – | (21 050) | (21 050) | (21 050) | (22 313) | (23 652) | (25 071) | |
| NET CASH FROM/(USED) OPERATING | (778 927) | 247 384 | 180 315 | 400 448 | 461 107 | 461 107 | 461 107 | 526 771 | 704 672 | 766 368 | |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | | | | | | | | | |
| Receipts | | | | | | | | | | | |
| Proceeds on disposal of PPE | – | – | – | – | 314 | 314 | 314 | (2 500) | (1 400) | (1 568) | |
| Decrease (increase) other non-current assets | (85) | 580 | (153) | | | | | 69 369 | 48 558 | 43 702 | |
| Decrease (increase) in non-current liabilities | 8 276 | (4 734) | 15 666 | | | | | – | – | – | |
| Payments | | | | | | | | | | | |
| Capital assets | 155 780 | (308 322) | (204 321) | (515 432) | (433 032) | (433 032) | (433 032) | (570 273) | (645 472) | (739 719) | |
| NET CASH FROM/(USED) INVESTING | 163 971 | (312 476) | (188 808) | (515 432) | (432 718) | (432 718) | (432 718) | (503 403) | (598 314) | (697 584) | |
| CASH FLOWS FROM FINANCING ACTIVITIES | | | | | | | | | | | |
| Receipts | | | | | | | | | | | |
| Short term loans | | | – | 121 500 | 60 000 | 60 000 | 60 000 | – | – | – | |
| Borrowing long term/refinancing | 272 | 137 202 | 28 671 | 100 000 | 67 940 | 67 940 | 67 940 | 90 000 | | 80 000 | |
| Increase (decrease) in consumer deposits | | – | – | – | | | | – | – | – | |
| Payments | | | | | | | | | | | |
| Repayment of borrowing | (8 709) | (156) | (160) | (16 633) | (76 624) | (76 624) | (76 624) | (17 260) | (19 358) | (26 869) | |
| NET CASH FROM/(USED) FINANCING | (8 437) | 137 046 | 28 511 | 204 868 | 51 316 | 51 316 | 51 316 | 72 740 | (19 358) | 53 131 | |
| NET INCREASE / (DECREASE) IN CASH | (623 393) | 71 954 | 20 019 | 89 884 | 79 705 | 79 705 | 79 705 | 96 107 | 87 000 | 121 915 | |
| Cash/cash equivalents at the year beginning | 567 213 | (56 180) | 15 774 | 42 418 | 30 452 | 30 452 | 30 452 | 110 156 | 206 263 | 293 264 | |
| Cash/cash equivalents at the year end | (56 180) | 15 774 | 35 792 | 132 301 | 110 156 | 110 156 | 110 156 | 206 263 | 293 264 | 415 179 | |

Explanatory notes to Table A7 - Budgeted Cash Flow Statement

- The budgeted cash flow statement is the first measurement in determining if the budget is funded.
- It shows the expected level of cash in-flow versus cash out-flow that is likely to result from the implementation of the budget.
- The 2012/13 MTREF has been informed by the planning principle of ensuring adequate cash reserves over the medium-term.
- The above table reflects that the municipality will be able to improve its cashflow position by 53% to R206 million in 2013/2014 from R110 million in 2012/2013 and increase to R415 million in 2015/2016 financial year.
- The cash inflows will be generated from operating activities amounting to R1 892 billion, investing activities amounting to R49 million and financing activities amounting to R90 million.
- The cash received will be utilised for operating activities amounting to R1 365 billion, investing (capital expenditure) activities amounting to R570 million and financing activities (repayment of borrowings) amounting to R17 million.
- The cash of R206 million to be retained at the end of the financial year will be for the following purposes;

| | | |
|---|--|----------------|
| Contribution to Capital Replacement Reserve | | -R 39,288,274 |
| Contribution to Provisions | | -R 9,822,068 |
| Cash and Cash Equivalents - Working Capital | | -R 157,153,096 |

Table A8 - Cash Backed Reserves/Accumulated Surplus Reconciliation

| Description R thousand | Ref | 2009/10 | 2010/11 | 2011/12 | Current Year 2012/13 | | | | 2013/14 Medium Term Revenue & Expenditure Framework | | |
|---|-----|------------------|------------------|------------------|----------------------|-----------------|--------------------|-------------------|---|------------------------|------------------------|
| | | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget | Adjusted Budget | Full Year Forecast | Pre-audit outcome | Budget Year 2013/14 | Budget Year +1 2014/15 | Budget Year +2 2015/16 |
| Cash and Investments available | | | | | | | | | | | |
| Cash/cash equivalents at the year end | 1 | (56 180) | 15 774 | 35 792 | 132 301 | 110 158 | 110 158 | 110 158 | 206 263 | 293 264 | 415 179 |
| Other current investments > 90 days | | (0) | (0) | (0) | - | - | - | - | - | - | - |
| Non current assets - receivables | 1 | 1 749 | 22 587 | 13 633 | 19 171 | 41 000 | 41 000 | 41 000 | 39 782 | 39 782 | 39 782 |
| Cash and Investments available: | | (44 439) | 38 370 | 49 426 | 151 473 | 161 158 | 161 158 | 161 158 | 246 046 | 333 046 | 464 961 |
| Application of cash and Investments | | | | | | | | | | | |
| Unspent conditional transfers | | 137 632 | 128 029 | 158 783 | 33 000 | 33 000 | 33 000 | 33 000 | 46 019 | 35 000 | 25 000 |
| Unspent borrowing | | - | - | - | - | - | - | - | - | - | - |
| Statutory requirements | 2 | | | | | | | | | | |
| Other working capital requirements | 3 | 297 379 | 100 097 | 248 098 | 75 001 | 04 473 | 04 473 | 04 473 | 84 672 | 95 004 | 102 120 |
| Other provisions | | | | | 1 103 | 1 103 | 1 103 | 1 103 | | | |
| Long term investments committed | 4 | - | - | - | - | - | - | - | - | - | - |
| Reserves to be backed by cash/investments | 5 | | | | | | | | | | |
| Total Application of cash and Investments: | | 436 010 | 289 027 | 406 880 | 109 764 | 98 676 | 98 676 | 98 676 | 132 891 | 130 604 | 127 120 |
| Surplus/(shortfall): | | (479 449) | (250 657) | (357 455) | 41 709 | 52 581 | 52 581 | 52 581 | 113 155 | 202 442 | 327 841 |

Explanatory notes to Table A8 - Cash Backed Reserves/Accumulated Surplus Reconciliation

1. The cash backed reserves/accumulated surplus reconciliation is aligned to the requirements of MFMA Circular 42 – Funding a Municipal Budget.
2. In essence the table evaluates the funding levels of the budget by firstly forecasting the cash and investments at year end and secondly reconciling the available funding to the liabilities/commitments that exist.
3. The outcome of this exercise would either be a surplus or deficit. A deficit would indicate that the applications exceed the cash and investments available and would be indicative of non-compliance with the MFMA requirements that the municipality's budget must be “funded”.
4. Non-compliance with section 18 of the MFMA is assumed because a shortfall would indirectly indicate that the annual budget is not appropriately funded.
5. Considering the requirements of section 18 of the MFMA, it can be concluded that the adopted 2010/11 MTREF was not funded owing to the significant deficit.
6. As part of the budgeting and planning guidelines that informed the compilation of the 2011/12 MTREF the end objective of the medium-term framework was to ensure the budget is funded aligned to section 18 of the MFMA.
7. As can be seen the budget has been modeled to progressively move from a surplus of R53 million in 2012/13 to R328 million by 2015/16.

Table A9 - Asset Management

| Description | Ref | 2009/10 | 2010/11 | 2011/12 | Current Year 2012/13 | | | 2013/14 Medium Term Revenue & Expenditure Framework | | |
|---|------|-----------------|-----------------|-----------------|----------------------|-----------------|--------------------|---|------------------------|------------------------|
| | | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget | Adjusted Budget | Full Year Forecast | Budget Year 2013/14 | Budget Year +1 2014/15 | Budget Year +2 2015/16 |
| CAPITAL EXPENDITURE | | | | | | | | | | |
| Total New Assets | 1 | 250,714 | 210,714 | 99,725 | 335,564 | 335,564 | 335,564 | 317,330 | 394,547 | 480,879 |
| Infrastructure - Road transport | | 221,812 | 181,812 | 80,822 | 276,314 | 276,314 | 276,314 | 255,117 | 329,224 | 412,290 |
| Infrastructure - Electricity | | — | — | — | — | — | — | — | — | — |
| Infrastructure - Water | | — | — | — | 500 | 500 | 500 | 525 | 551 | 579 |
| Infrastructure - Sanitation | | 28,902 | 28,902 | 18,902 | 58,750 | 58,750 | 58,750 | 61,688 | 64,772 | 68,010 |
| Infrastructure - Other | | — | — | — | — | — | — | — | — | — |
| Infrastructure | | 250,714 | 210,714 | 99,725 | 335,564 | 335,564 | 335,564 | 317,330 | 394,547 | 480,879 |
| 0 | | — | — | — | — | — | — | — | — | — |
| 0 | | — | — | — | — | — | — | — | — | — |
| 0 | | — | — | — | — | — | — | — | — | — |
| Agricultural Assets | 6 | — | — | — | — | — | — | — | — | — |
| Agricultural Assets | | — | — | — | — | — | — | — | — | — |
| 0 | | — | — | — | — | — | — | — | — | — |
| 0 | | — | — | — | — | — | — | — | — | — |
| Total Renewal of Existing Assets | 2 | 320,153 | 68,147 | 40,153 | 318,169 | 292,647 | 292,647 | 469,457 | 451,471 | 464,222 |
| Infrastructure - Road transport | | 244,639 | 58,636 | 34,639 | 243,647 | 191,845 | 191,845 | 290,285 | 265,950 | 274,337 |
| Infrastructure - Electricity | | 3,000 | 3,000 | 3,000 | 3,000 | — | — | 71,191 | 72,140 | 70,836 |
| Infrastructure - Water | | — | — | — | — | — | — | 4,277 | 4,491 | 4,716 |
| Infrastructure - Sanitation | | 72,514 | 6,511 | 2,514 | 71,522 | 100,802 | 100,802 | 103,704 | 108,889 | 114,333 |
| Infrastructure - Other | | — | — | — | — | — | — | — | — | — |
| 0 | | 320,153 | 68,147 | 40,153 | 318,169 | 292,647 | 292,647 | 469,457 | 451,471 | 464,222 |
| 0 | | — | — | — | — | — | — | — | — | — |
| 0 | | — | — | — | — | — | — | — | — | — |
| 0 | | — | — | — | — | — | — | — | — | — |
| Agricultural Assets | 6 | — | — | — | — | — | — | — | — | — |
| Agricultural Assets | | — | — | — | — | — | — | — | — | — |
| 0 | | — | — | — | — | — | — | — | — | — |
| 0 | | — | — | — | — | — | — | — | — | — |
| Total Capital Expenditure | 4 | | | | | | | | | |
| Infrastructure - Road transport | | 466,451 | 240,448 | 115,461 | 519,961 | 468,159 | 468,159 | 545,402 | 595,174 | 686,627 |
| Infrastructure - Electricity | | 3,000 | 3,000 | 3,000 | 3,000 | — | — | 71,191 | 72,140 | 70,836 |
| Infrastructure - Water | | — | — | — | 500 | 500 | 500 | 4,802 | 5,042 | 5,295 |
| Infrastructure - Sanitation | | 101,417 | 35,414 | 21,417 | 130,272 | 159,552 | 159,552 | 165,391 | 173,661 | 182,344 |
| Infrastructure - Other | | — | — | — | — | — | — | — | — | — |
| 0 | | 570,868 | 278,862 | 139,878 | 653,733 | 628,211 | 628,211 | 786,786 | 846,017 | 945,101 |
| 0 | | — | — | — | — | — | — | — | — | — |
| 0 | | — | — | — | — | — | — | — | — | — |
| 0 | | — | — | — | — | — | — | — | — | — |
| Agricultural Assets | | — | — | — | — | — | — | — | — | — |
| 0 | | — | — | — | — | — | — | — | — | — |
| 0 | | — | — | — | — | — | — | — | — | — |
| TOTAL CAPITAL EXPENDITURE - Asset class | 2 | 570,868 | 278,862 | 139,878 | 653,733 | 628,211 | 628,211 | 786,786 | 846,017 | 945,101 |
| ASSET REGISTER SUMMARY - PPE (WDV) | 5 | | | | | | | | | |
| Infrastructure - Road transport | | 2,367,917 | 1,153,295 | 1,120,929 | 1,550,374 | 1,394,574 | 1,394,574 | 1,452,156 | 1,410,025 | 1,415,251 |
| Infrastructure - Electricity | | 430,501 | 475,121 | 477,591 | 511,825 | 511,825 | 511,825 | 537,416 | 554,821 | 560,422 |
| Infrastructure - Water | | 1,385,908 | 1,031,087 | 1,037,938 | 1,347,613 | 1,121,340 | 1,121,340 | 1,177,407 | 1,254,815 | 1,352,481 |
| Infrastructure - Sanitation | | 207,427 | 582,518 | 572,516 | 578,964 | 578,964 | 578,964 | 607,912 | 609,152 | 615,245 |
| Infrastructure - Other | | 182,091 | — | — | 601,355 | 199,883 | 199,883 | 209,877 | 215,422 | 220,152 |
| 0 | | 4,573,844 | 3,242,021 | 3,208,974 | 4,590,137 | 3,806,585 | 3,806,585 | 2,534,064 | 4,044,236 | 4,163,552 |
| 0 | | 527,920 | 1,268,811 | 1,198,731 | 1,051,013 | 1,452,486 | 1,452,486 | 1,335,866 | 1,534,851 | 1,652,485 |
| 0 | | 77 | — | — | — | — | — | — | — | — |
| 0 | | 11,742 | 22,597 | 13,633 | 19,171 | 41,000 | 41,000 | 39,782 | 39,782 | 39,782 |
| Agricultural Assets | | 76,263 | 689,161 | 707,406 | — | — | — | — | 8,285 | 12,066 |
| Agricultural Assets | | 5,178,103 | 5,200,203 | 5,115,111 | 5,641,144 | 5,259,071 | 5,259,071 | 5,320,634 | 5,587,372 | 5,828,103 |
| 0 | | — | — | — | — | — | — | — | — | — |
| 0 | | — | — | — | — | — | — | — | — | — |
| TOTAL ASSET REGISTER SUMMARY - PPE (WDV) | 5 | 10,367,948 | 10,422,793 | 10,243,855 | 11,301,460 | 10,559,142 | 10,559,142 | 9,230,346 | 11,214,526 | 11,695,988 |
| EXPENDITURE OTHER ITEMS | | | | | | | | | | |
| Debt impairment | | 51,063 | 8,993 | 55,364 | 76,009 | 70,737 | 70,737 | 72,507 | 68,651 | 76,454 |
| Repairs and Maintenance by Asset Class | 3 | 142,974 | 143,465 | 143,981 | 149,525 | 149,525 | 149,525 | 90,847 | 97,620 | 104,582 |
| Infrastructure - Road transport | | 107,397 | 107,888 | 108,404 | 117,981 | 117,981 | 117,981 | 76,968 | 82,667 | 88,523 |
| Infrastructure - Electricity | | 13,358 | 13,358 | 13,358 | 9,513 | 9,513 | 9,513 | 11,748 | 12,659 | 13,597 |
| Infrastructure - Water | | 11,452 | 11,452 | 11,452 | 7,503 | 7,503 | 7,503 | — | — | — |
| Infrastructure - Sanitation | | — | — | — | — | — | — | — | — | — |
| Infrastructure - Other | | 10,767 | 10,767 | 10,767 | 14,528 | 14,528 | 14,528 | 2,131 | 2,294 | 2,462 |
| 0 | | 142,974 | 143,465 | 143,981 | 149,525 | 149,525 | 149,525 | 90,847 | 97,620 | 104,582 |
| 0 | | — | — | — | — | — | — | — | — | — |
| 0 | | — | — | — | — | — | — | — | — | — |
| 0 | | — | — | — | — | — | — | — | — | — |
| Agricultural Assets | 6, 7 | — | — | — | — | — | — | — | — | — |
| TOTAL EXPENDITURE OTHER ITEMS | | 194,037 | 152,458 | 199,345 | 225,535 | 220,262 | 220,262 | 163,355 | 166,271 | 181,036 |
| <i>Renewal of Existing Assets as % of total capex</i> | | 56.1% | 24.4% | 28.7% | 48.7% | 46.6% | 46.6% | 59.7% | 53.4% | 49.1% |
| <i>Renewal of Existing Assets as % of deprecn"</i> | | 627.0% | 757.8% | 72.5% | 418.6% | 413.7% | 413.7% | 647.5% | 657.6% | 607.2% |
| <i>R&M as a % of PPE</i> | | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% |
| <i>Renewal and R&M as a % of PPE</i> | | 4.0% | 2.0% | 2.0% | 4.0% | 4.0% | 4.0% | 6.0% | 5.0% | 5.0% |

Explanatory notes to Table A9 - Asset Management

1. Table A9 provides an overview of municipal capital allocations to building new assets and the renewal of existing assets, as well as spending on repairs and maintenance by asset class.
2. For the 2013/14 financial year, 62% or (R77 million) of total repairs and maintenance by asset class will be spent on infrastructure assets. Roads infrastructure has received a significant proportion of this allocation totaling 38% (R47 million), followed by Electricity totaling 19% (R24 million), infrastructure - other assets has been allocated 29% (R35 million) of total repairs and maintenance, Community at 9% (R11 million), water at 1.7% (R2 million), sanitation is at 1.7% (R2 million).
3. The following graph provides an analysis between depreciation and operational repairs and maintenance over the MTREF. It highlights the Municipality's strategy to address the maintenance backlog.

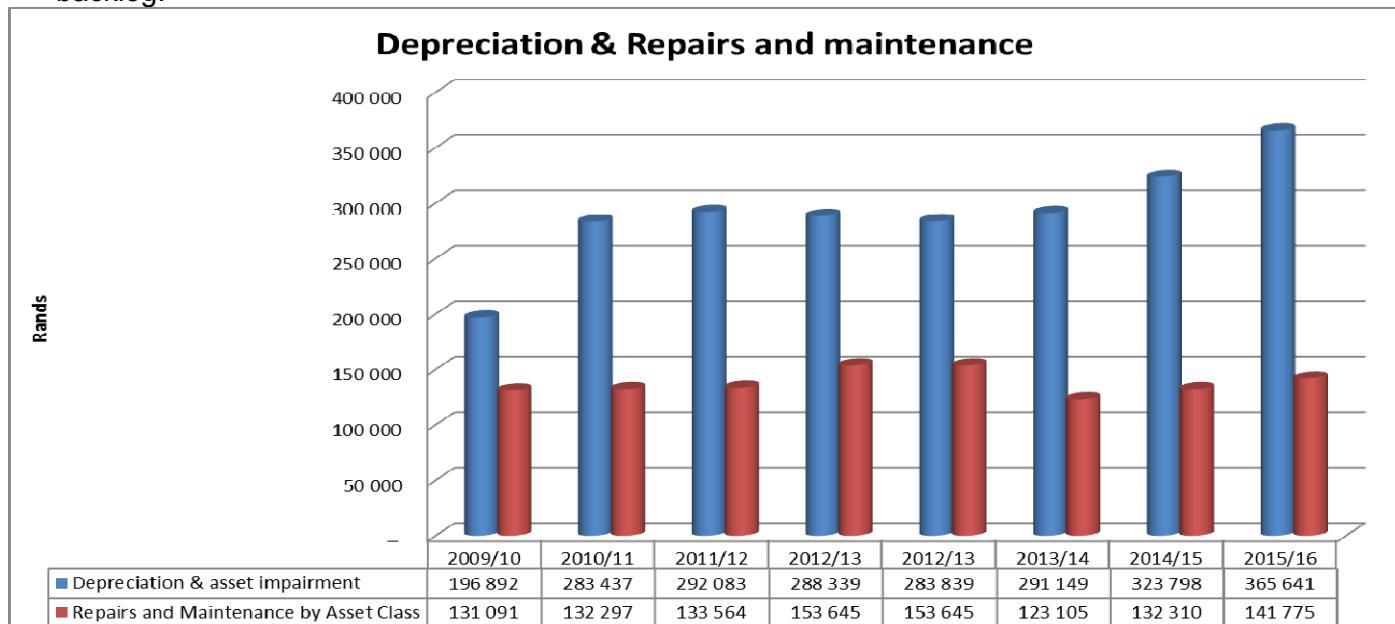


Table A10 - Basic Service Delivery Measurement

| Description | Ref | 2009/10 | 2010/11 | 2011/12 | Current Year 2012/13 | | | 2013/14 Medium Term Revenue & Expenditure Framework | | |
|---|-----|---------|---------|---------|----------------------|-----------------|--------------------|---|------------------------|------------------------|
| | | Outcome | Outcome | Outcome | Original Budget | Adjusted Budget | Full Year Forecast | Budget Year 2013/14 | Budget Year +1 2014/15 | Budget Year +2 2015/16 |
| <u>Household service targets</u> | 1 | | | | | | | | | |
| <i>Water:</i> | | | | | | | | | | |
| Piped water inside dwelling | | 58 | 58,014 | 58,014 | 72 | 71,933 | 71,933 | 75,530 | 79,306 | 83,271 |
| Piped water inside yard (but not in dwelling) | | 68 | 68,362 | 68,362 | 87 | 87,331 | 87,331 | 91,698 | 96,282 | 101,097 |
| Using public tap (at least min.service level) | 2 | 47 | 46,874 | 46,874 | 49 | 49,217 | 49,217 | 51,678 | 54,262 | 56,975 |
| Other water supply (at least min.service level) | 4 | 6 | 6,498 | 6,498 | 7 | 6,823 | 6,823 | 7,164 | 7,522 | 7,898 |
| <i>Minimum Service Level and Above sub-total</i> | | 179,748 | 179,748 | 179,748 | 215,304 | 215,304 | 215,304 | 226,069 | 237,373 | 249,241 |
| Using public tap (< min.service level) | 3 | 47 | 46,874 | 46,874 | 56 | 56,387 | 56,387 | 59,206 | 62,167 | 65,275 |
| Other water supply (< min.service level) | 4 | - | - | - | - | - | - | - | - | - |
| No water supply | | 1 | 688 | 688 | 1 | 565 | 565 | 593 | 623 | 654 |
| <i>Below Minimum Service Level sub-total</i> | | 47,562 | 47,562 | 47,562 | 56,952 | 56,952 | 56,952 | 59,800 | 62,790 | 65,929 |
| Total number of households | 5 | 227,310 | 227,310 | 227,310 | 272,256 | 272,256 | 272,256 | 285,869 | 300,162 | 315,170 |
| <i>Sanitation/sewerage:</i> | | | | | | | | | | |
| Flush toilet (connected to sewerage) | | 59 | 59,123 | 59,123 | 78 | 77,667 | 77,667 | 81,550 | 85,628 | 89,909 |
| Flush toilet (with septic tank) | | 4 | 4,123 | 4,123 | 1 | 749 | 749 | 749 | 749 | 749 |
| Chemical toilet | | 7 | 7,287 | 7,287 | 9 | 8,731 | 8,731 | 9,168 | 9,626 | 10,107 |
| Pit toilet (v entilated) | | 99 | 99,493 | 99,493 | 117 | 116,705 | 116,705 | 122,540 | 128,667 | 135,101 |
| Other toilet provisions (> min.service level) | | - | - | - | - | - | - | - | - | - |
| <i>Minimum Service Level and Above sub-total</i> | | 170,026 | 170,026 | 170,026 | 203,852 | 203,852 | 203,852 | 214,007 | 224,670 | 235,866 |
| Bucket toilet | | - | - | - | - | - | - | - | - | - |
| Other toilet provisions (< min.service level) | | 20 | 19,922 | 19,922 | 23 | 23,202 | 23,202 | 24,362 | 25,580 | 26,859 |
| No toilet provisions | | 11 | 10,814 | 10,814 | 12 | 11,732 | 11,732 | 12,319 | 12,935 | 13,581 |
| <i>Below Minimum Service Level sub-total</i> | | 30,736 | 30,736 | 30,736 | 34,934 | 34,934 | 34,934 | 36,681 | 38,515 | 40,440 |
| Total number of households | 5 | 200,762 | 200,762 | 200,762 | 238,786 | 238,786 | 238,786 | 250,688 | 263,185 | 276,307 |
| <i>Energy:</i> | | | | | | | | | | |
| Electricity (at least min.service level) | | 5 | 5,498 | 5,498 | 7 | 7,077 | 7,077 | 7,431 | 7,802 | 8,193 |
| Electricity - prepaid (min.service level) | | 0 | 178 | 178 | - | - | - | - | - | - |
| <i>Minimum Service Level and Above sub-total</i> | | 5,676 | 5,676 | 5,676 | 7,077 | 7,077 | 7,077 | 7,431 | 7,802 | 8,193 |
| Electricity (< min.service level) | | | | | | | | | | |
| Electricity - prepaid (< min. service level) | | | | | | | | | | |
| Other energy sources | | | | | | | | | | |
| <i>Below Minimum Service Level sub-total</i> | | - | - | - | - | - | - | - | - | - |
| Total number of households | 5 | 5,676 | 5,676 | 5,676 | 7,077 | 7,077 | 7,077 | 7,431 | 7,802 | 8,193 |
| <i>Refuse:</i> | | | | | | | | | | |
| Removed at least once a week | | | | | | | | | | |
| <i>Minimum Service Level and Above sub-total</i> | | - | - | - | - | - | - | - | - | - |
| Removed less frequently than once a week | | 10 | 9,744 | 9,744 | 15 | 15,281 | 15,281 | 16,045 | 16,847 | 17,690 |
| Using communal refuse dump | | 2 | 2,121 | 2,121 | 7 | 7,416 | 7,416 | 7,787 | 8,176 | 409 |
| Using own refuse dump | | 5 | 5,234 | 5,234 | 7 | 6,804 | 6,804 | 7,144 | 7,501 | 375 |
| Other rubbish disposal | | - | - | - | - | - | - | - | - | - |
| No rubbish disposal | | 5 | 4,500 | 4,500 | 8 | 7,938 | 7,938 | 8,335 | 8,752 | 9,189 |
| <i>Below Minimum Service Level sub-total</i> | | 21,599 | 21,599 | 21,599 | 37,439 | 37,439 | 37,439 | 39,311 | 41,276 | 27,663 |
| Total number of households | 5 | 21,599 | 21,599 | 21,599 | 37,439 | 37,439 | 37,439 | 39,311 | 41,276 | 27,663 |
| <i>Households receiving Free Basic Service</i> | 7 | | | | | | | | | |
| Water (6 kilolitres per household per month) | | 6 | 5,625 | 5,625 | 10 | 10,215 | 10,215 | 85,584 | 85,584 | 85,584 |
| Sanitation (free minimum level service) | | 6 | 5,625 | 5,625 | 10 | 10,215 | 10,215 | 85,584 | 85,584 | 85,584 |
| Electricity/other energy (50kwh per household per month) | | 6 | 5,625 | 5,625 | 10 | 10,215 | 10,215 | 13,703 | 13,703 | 13,703 |
| Refuse (removed at least once a week) | | 1 | 1,219 | 1,219 | 2 | 10,215 | 10,215 | 13,703 | 13,703 | 13,703 |
| <i>Cost of Free Basic Services provided (R'000)</i> | 8 | - | - | - | | | | | | |
| Water (6 kilolitres per household per month) | | 21,778 | 21,778 | 21,778 | 39,323 | 39,323 | 39,323 | 111,354 | 118,871 | 126,472 |
| Sanitation (free sanitation service) | | - | - | - | - | - | - | - | - | - |
| Electricity/other energy (50kwh per household per month) | | 4,500 | 4,500 | 4,500 | 9,271 | 9,271 | 9,271 | 7,528 | 8,003 | 8,478 |
| Refuse (removed once a week) | | 1,535 | 1,535 | 1,535 | 2,170 | 2,170 | 2,170 | - | - | - |
| Total cost of FBS provided (minimum social packa | | 27,813 | 27,813 | 27,813 | 50,764 | 50,764 | 50,764 | 118,881 | 126,874 | 134,951 |
| <i>Highest level of free service provided</i> | | | | | | | | | | |
| Property rates (R value threshold) | | 80,000 | 80,000 | 80,000 | 80,000 | 80,000 | 80,000 | 80,000 | 80,000 | 80,000 |
| Water (kilolitres per household per month) | | 6 | 6 | 6 | 6 | 6 | 6 | 6 | 6 | 6 |
| Sanitation (kilolitres per household per month) | | 6 | 6 | 6 | 6 | 6 | 6 | 6 | 6 | 6 |
| Sanitation (Rand per household per month) | | | | | | | | | | |
| Electricity (kwh per household per month) | | 50 | 50 | 50 | 50 | 50 | 50 | 50 | 50 | 50 |
| Refuse (average litres per week) | | | | | | | | | | |
| <i>Revenue cost of free services provided (R'000)</i> | 9 | | | | | | | | | |
| Property rates (R15 000 threshold rebate) | | 3,019 | 3,019 | 3,019 | 4,981 | 4,981 | 4,981 | 5,304 | 5,649 | 6,016 |
| Property rates (other exemptions, reductions and rebates) | | 77,651 | 77,651 | 77,651 | 108,690 | 108,690 | 108,690 | 128,128 | 136,857 | 145,325 |
| Water | | 32,198 | 32,198 | 32,198 | 39,323 | 39,323 | 39,323 | 170,483 | 170,483 | 170,483 |
| Sanitation | | 581 | 581 | 581 | | | | | | |
| Electricity/other energy | | 5,355 | 5,355 | 5,355 | | | | 44,233 | 44,233 | 44,233 |
| Refuse | | 1,627 | 1,627 | 1,627 | | | | | | |
| Municipal Housing - rental rebates | | | | | | | | | | |
| Housing - top structure subsidies | | | | | | | | | | |
| Other | | | | | | | | | | |
| Total revenue cost of free services provided (total social package) | | 120,431 | 120,431 | 120,431 | 152,994 | 152,994 | 152,994 | 348,149 | 357,223 | 366,058 |

Explanatory notes to Table A10 - Basic Service Delivery Measurement

1. It is anticipated that these Free Basic Services will cost the municipality R119 million in 2013/14, increasing to R135 million in 2015/16. This is covered by the municipality's equitable share allocation from national government.
2. In addition to the Free Basic Services, the Municipality also 'gives' households R348 million in free services in 2013/14, and it increases to R366 million in 2015/16. This 'tax expenditure' needs to be seen within the context of the municipality's overall revenue management strategy – the more the municipality gives away, the less there is available to fund other services.

PART 2 – SUPPORTING DOCUMENTATION

2.1 OVERVIEW OF THE ANNUAL BUDGET PROCESS

Section 53 of the MFMA requires the Mayor of the municipality to provide general political guidance in the budget process and the setting of priorities that must guide the preparation of the budget. In addition Chapter 2 of the Municipal Budget and Reporting Regulations states that the Mayor of the municipality must establish a Budget Steering Committee to provide technical assistance to the Mayor in discharging the responsibilities set out in section 53 of the Act.

The Budget Steering Committee consists of the Municipal Manager and senior officials of the municipality meeting under the chairpersonship of the MMC for Finance.

The primary aim of the Budget Steering Committee is to ensure:

- that the process followed to compile the budget complies with legislation and good budget practices;
- that there is proper alignment between the policy and service delivery priorities set out in the Municipality's IDP and the budget, taking into account the need to protect the financial sustainability of municipality;
- that the municipality's revenue and tariff setting strategies ensure that the cash resources needed to deliver services are available; and
- that the various spending priorities of the different municipal departments are properly evaluated and prioritised in the allocation of resources.

2.1.1 Budget process overview

In terms of section 21 of the MFMA the Mayor is required to table in Council ten months before the start of the new financial year (i.e. in August 2012) a time schedule that sets out the process to revise the IDP and prepare the budget.

The Mayor tabled in Council the required the IDP and budget time schedule on 24 August 2012. Key dates applicable to the process were:

(a) Planning Phase

The Mayor tabled in Council the required the IDP and budget time schedule on 24 August 2012 Resolution (A4) The following process was followed during the review of MLM IDP and Budget for 2013/2014.

(b) Analysis Phase

Community based Planning (CBP) meetings took place during 26 September 2012 until 12 October 2012. The main aim of the meetings was to report on the municipality performance and achievements of the previous financial year and also to give the communities an opportunity to raise and confirm priority issues that need to be addressed within the next 2013/2014 financial year.

(c) Strategy Phase

A Mayoral Lekgotla was held from 31 October 2012 to 2 November 2012 to refine and confirm the municipal strategic objectives and priorities for 2013/2014 IDP Review based on the community needs as outlined in table 1.4.1 below and the national, provincial, district priorities.

The Lekgotla (Mayoral) which was attended by Executive, Mayor, Speaker, Chief Whip, MMCs (political office bearers), Chairpersons of Section 79 Oversight Committees, Municipal Manager, General Managers and Senior Managers also reviewed the municipal performance from 2011 to 2012 and re-confirmed the municipality's IDP development priorities, namely water supply, road infrastructure development and storm water, electricity supply and management, integrated human settlement, good governance and public participation, sanitation/sewerage, community development, rural development, economic development, waste management and greening, financial management and viability, public transport and 2010 legacy. It was further agreed that revenue enhancement must also be added as one of the priorities.

(d) Project Phase

On 26 to 27 November 2012 and 25 to 26 February 2013, the municipality held the Technical Lekgotla comprising of Municipal Manager, General Managers (GM), Senior Managers (SM), Managers and Planners to identify projects that must be prioritised in the 2013/2014 IDP Review, informed by the Mayoral Lekgotla resolutions and community priorities.

A follow up Mayoral Lekgotla was held from the 11 to 13 March 2013, to finalise the draft IDP and Budget for 2013/2014 financial year.

(e) Integration Phase

During the finalisation of IDP projects, the municipality considered programmes from sector departments and other governmental parastatals such as ESKOM, and the projects have been included in Chapter 6 of this IDP.

The municipality has approved the Spatial Development Framework (SDF) to guide all the future development, and is in the process of developing and reviewing the key sector plans that will assist in achieving the constitutional obligations. The sector plans amongst others include the Long term strategic plan (Vision 2030), Local Economic Development Strategy, Environmental Management Framework, Integrated Waste Management Plan, Comprehensive Infrastructure Plan and Disaster Management Plan.

(f) Approval Phase

The draft 2013/14 Budget was tabled before Council on 28 March 2013. The document will be advertised on local print media on 12 April 2013. Moreover, it will also be placed on the municipal website and in all the municipal service centres i.e Nelspruit Civic Centre, White River Civic Centre, Hazyview Civic Centre, Kabokweni Civic Centre, Kanyamazane Civic Centre and Matsulu Civic Centre.

Community participation meetings will be conducted in April 2013 to give the communities an opportunity to comment on the draft IDP and Budget and Budget. The local print media and the local radio stations such as Ligwala gwala, Lowvelder FM and Kanyamazane Community Station will be used to mobilise the communities to attend the public participation meetings. Loud hailing and flyers will also be used to mobilise the communities to attend the IDP meetings.

On 16 May 2013, the municipality will have an IDP Rep Forum to give all the stakeholders an opportunity to comment on the final IDP prior to Council approval. The Forum will be attended by sector departments, Ehlanzeni District Municipality, Organised Business (NAFCOC, LCBT), Ward Councillors, Traditional Leaders, Rates payer association, Farmers Associations, NGO and members of the community.

All the comments and inputs received during the consultative process will be analysed, and incorporated into the IDP. The inputs that the municipality will not manage to address due to financial constraints will be noted, and will be considered during the next IDP review. The final IDP and Budget for 2013/2014 and MTREF will be tabled to the municipal council on 30 May 2013 for consideration and approval.

2.1.2 IDP and service delivery and budget implementation plan

It started in August 2012 after the tabling of the IDP Process Plan and the Budget Time Schedule for the 2013/14 MTREF.

The Municipality's IDP is its principal strategic planning instrument, which directly guides and informs its planning, budget, management and development actions. This framework is rolled out into objectives, key performance indicators and targets for implementation which directly inform the Service Delivery and Budget Implementation Plan. The Process Plan applicable to the fourth revision cycle included the following key IDP processes and deliverables:

- (a) Registration of community needs;
- (b) Compilation of departmental business plans including key performance indicators and targets;
- (c) Financial planning and budgeting process;
- (d) Public participation process;
- (e) Compilation of the SDBIP, and
- (f) The review of the performance management and monitoring processes.

The IDP has been taken into a business and financial planning process leading up to the 2013/14 MTREF, based on the approved 2012/13 MTREF, Mid-year Review and adjustments budget. The business planning process has subsequently been refined in the light of current economic circumstances and the resulting revenue projections.

With the compilation of the 2013/14 MTREF, each department/function had to review the business planning process, including the setting of priorities and targets after reviewing the mid-year and third quarter performance against the 2012/13 Departmental Service Delivery and Budget Implementation Plan. Business planning links back to priority needs and master planning, and essentially informed the detail operating budget appropriations and three-year capital programme.

2.1.3 Financial modelling and key planning drivers

As part of the compilation of the 2012/13 MTREF, extensive financial modelling was undertaken to ensure affordability and long-term financial sustainability. The following key factors and planning strategies have informed the compilation of the 2013/14 – 2015/2016 annual budget and MTREF:

- (a) Municipality's growth
- (b) Policy priorities and strategic objectives
- (c) Asset maintenance
- (d) Economic climate and trends (i.e inflation, Eskom increases, household debt, migration patterns)
- (e) Performance trends
- (f) The approved 2012/13 adjustments budget and performance against the SDBIP

- (g) Cash Flow Management
- (h) Debtor payment levels
- (i) Loan and investment possibilities
- (j) The need for tariff increases versus the ability of the community to pay for services;
- (k) Improved and sustainable service delivery

In addition to the above, the strategic guidance given in National Treasury's MFMA Circulars 51,54,55,58,59,66 and 67 has been taken into consideration in the planning and prioritisation process.

2.1.4 Community consultation

Chapter 4 of the MSA states that municipalities must develop a culture of municipal governance that complements formal representative government with a system of participatory governance, and must encourage, and create conditions for the local community to participate in the affairs of the municipality including the preparation, implementation and review of its IDP, Budget and Performance Management System. It furthermore states that participation by the local community must take place through Political Structures, Ward Committees and Councillors. In compliance to this, MLM has adopted Public participation policy, Community Based Planning policy and policy on Ward

2.1.5 Committees and participation

The participation of communities is driven through a Ward Committee System managed by the Public Participation Unit in the Office of the Speaker and the IDP Representative Forum. The central role of Ward Committees is to facilitate local community participation in decisions which affect the local community, to articulate local community interests and to represent these interests within the municipal governing structures. MLM's public participation process comprises of registration of ward needs, specific Ward Imbizo(s) and participation sessions and comments on the IDP.

Key to the participation process is a Needs Database developed per ward and managed by the Office of the Executive Mayor and Municipal Manager through the Corporate Strategy (IDP Unit). This database comprises of an inventory of development issues and needs recorded in each of the wards in Mbombela over a number of years. This Needs Database serves as the basis for community consultation and participation in the municipality and as inputs to the Departmental Business Planning process. During each annual IDP review process, Ward Committees and Ward Councillors are given an opportunity to update the priority issues and needs for their specific ward areas. This process takes place at the beginning of the revision process. The updated Needs Database informs the business plan formulation process conducted by various line functional departments of the municipality.

The draft 2012/13 MTREF as tabled before Council on 28 March 2013 for community consultation will be published on the municipality's website, and hard copies will be made available at Service centre offices, municipal notice boards and various libraries on the 12 of April 2013.

All documents in the appropriate format (electronic and printed) will be provided to National Treasury, and other national and provincial departments in accordance with section 23 of the MFMA, to provide an opportunity for them to make inputs.

2.2 OVERVIEW OF ALIGNMENT OF ANNUAL BUDGET WITH THE IDP

The Constitution mandates local government with the responsibility to exercise local developmental and cooperative governance. The eradication of imbalances in South African society can only be realized through a credible integrated developmental planning process.

Municipalities in South Africa need to utilise integrated development planning as a method to plan future development in their areas and so find the best solutions to achieve sound long-term development goals. A municipal IDP provides a five year strategic programme of action aimed at setting short, medium and

long term strategic and budget priorities to create a development platform, which correlates with the term of office of the political incumbents. The plan aligns the resources and the capacity of a municipality to its overall development aims and guides the municipal budget. An IDP is therefore a key instrument which municipalities use to provide vision, leadership and direction to all those that have a role to play in the development of a municipal area. The IDP enables municipalities to make the best use of scarce resources and speed up service delivery.

Integrated developmental planning in the South African context is amongst others, an approach to planning aimed at involving the municipality and the community to jointly find the best solutions towards sustainable development. Furthermore, integrated development planning provides a strategic environment for managing and guiding all planning, development and decision making in the municipality.

It is important that the IDP developed by municipalities correlate with National and Provincial intent. It must aim to co-ordinate the work of local and other spheres of government in a coherent plan to improve the quality of life for all the people living in that area. Applied to the municipality, issues of national and provincial importance should be reflected in the IDP of the municipality. A clear understanding of such intent is therefore imperative to ensure that the municipality strategically complies with the key national and provincial priorities.

The aim of this revision cycle was to develop and coordinate a coherent plan to improve the quality of life for all the people living in the area, also reflecting issues of national and provincial importance. One of the key objectives is therefore to ensure that there exists alignment between national and provincial priorities, policies and strategies and the municipality's response to these requirements.

The national and provincial priorities, policies and strategies of importance include amongst others:

- (a) Green Paper on National Strategic Planning of 2009;
- (b) Government Programme of Action;
- (c) Development Facilitation Act of 1995;
- (d) Provincial Growth and Development Strategy (GGDS);
- (e) National and Provincial spatial development perspectives;
- (f) Relevant sector plans such as transportation, legislation and policy;
- (g) National Key Performance Indicators (NKPIs);
- (h) Accelerated and Shared Growth Initiative (ASGISA);
- (i) National 2014 Vision;
- (j) National Spatial Development Perspective (NSDP); and
- (k) The National Priority Outcomes.

2.2.1 National priorities

The President on his 2013 State of the Nation Address mentioned five national priorities which should be embedded by all spheres of government on the planning and budgeting processes for the medium-term. The government has introduced the New Growth Plan that will guide the work of all spheres of government in achieving the goals relating these national priorities within the premise that the creation of decent work is at the centre of our economic policies.

The five national priorities are;

- (a) Creating decent jobs;
- (b) Improving the quality of education;
- (c) Enhancing health services;
- (d) Enhancing rural development and agrarian; and
- (e) Fight against crime and corruption.

In His address, the President has further declared 2013 as a year of job creation. The municipalities should align their programmes with the job creation imperative.

To achieve this national priority, municipalities are urged to when drafting 2013/2014 budgets to explore opportunities to mainstream labour intensive approaches to delivering services, and more particularly to participate fully in the EPWP. The municipality ought to focus on maximizing its contribution to job creation by;

- (a) Ensuring that service delivery and capital project use labour intensive methods wherever appropriate.
- (b) Ensuring that service providers use labour intensive approaches.
- (c) Supporting labour intensive LED projects.
- (d) Participating fully in the EPWP/National youth service plan NYDP.
- (e) Implementing interns programmes to provide young people with on-the-job training

The Constitution requires local government to relate its management, budgeting and planning functions to achieve its objectives. This gives a clear indication of the intended purposes of municipal integrated development planning. Legislation stipulates clearly that a municipality must not only give effect to its IDP, but must also conduct its affairs in a manner which is consistent with its IDP. The following table highlights the IDP's seven strategic objectives for the 2011/12 MTREF and further planning refinements that have directly informed the compilation of the budget:

2.2.2 IDP strategic objectives

The municipality's development priority and objectives

| Development priority | Development objective |
|--|--|
| Institutional development and transformation | <ul style="list-style-type: none"> • To build strong sustainable governance and institutional structures and arrangements • To redefine strategic macro leadership and coordination structures involving the local, district, provincial and national government |
| Infrastructure and sustainable services | <ul style="list-style-type: none"> • To strengthen the delivery of basic services and ensure sustainable integrated human settlement supported by infrastructure development |
| Rural Development | <ul style="list-style-type: none"> • To strengthen the delivery of basic services and ensure sustained integrated human settlement supported by infrastructure development • To formulate a broad over-arching human capital and community development |
| Economic development | <ul style="list-style-type: none"> • To initiate a strong and sustainable local/regional economic development potential and sustainable environmental management |
| Financial management and viability | <ul style="list-style-type: none"> • To ensure legally sound financial viability and management |
| Human capital and community development | <ul style="list-style-type: none"> • To formulate a broad over-arching human capital and community development |
| 2010 Legacy and Flagship | <ul style="list-style-type: none"> • To initiate a strong and sustainable local/regional economic |

| | |
|------------------|--|
| projects concept | <p>development potential and sustainable environmental management</p> <ul style="list-style-type: none"> • To strengthen the delivery of basic services and ensure sustained integrated human settlement supported by infrastructure development • To formulate a broad over-arching human capital and community development • To build strong sustainable governance and institutional structures and arrangements • To redefine strategic macro leadership and coordination structures involving the local, district, provincial and national government |
|------------------|--|

In order to ensure integrated and focused service delivery between all spheres of government it was important for the Municipality to align its budget priorities with that of national and provincial government. All spheres of government place a high priority on infrastructure development, economic development and job creation, efficient service delivery, poverty alleviation and building sound institutional arrangements.

Local priorities were identified as part of the IDP review process which is directly aligned to that of the national and provincial priorities. The key performance areas can be summarised as follows against the seven strategic objectives:

Alignment of MLM IDP priorities with National, Provincial and District Priorities

| MILLENNIUM DEVELOPMENT GOALS | P PRIORITIES- MUNICIPAL RESPONSE |
|--|---|
| Develop a Global Partnership for Development | <ul style="list-style-type: none"> ➢ 2010 legacy and flagship projects ➢ Human capital and community development |
| Eradicate extreme poverty and hunger | <ul style="list-style-type: none"> ➢ Infrastructure & sustainable services ➢ Human capital and community development ➢ Economic development ➢ Rural development |
| Combat HIV/AIDS, malaria and other diseases | <ul style="list-style-type: none"> ➢ Human capital and community development ➢ 2010 legacy and flagship projects ➢ Economic development |
| Ensure environmental sustainability | <ul style="list-style-type: none"> ➢ 2010 legacy and flagship projects |
| Promote gender equality and empower women | <ul style="list-style-type: none"> ➢ Human capital and social development ➢ 2010 legacy and flagship projects |
| NATIONAL PRIORITIES | P PRIORITIES- MUNICIPAL RESPONSE |
| Corruption | <ul style="list-style-type: none"> ➢ 2010 legacy and flagship projects |
| Education | <ul style="list-style-type: none"> ➢ Human capital and community development |
| Health | <ul style="list-style-type: none"> ➢ 2010 legacy and flagship projects |
| The fight against crime | <ul style="list-style-type: none"> ➢ 2010 legacy and flagship projects |

| | |
|---|---|
| | <ul style="list-style-type: none"> ➤ Rural development |
| Creation of decent work & sustainable livelihoods | <ul style="list-style-type: none"> ➤ Economic development ➤ Infrastructure & sustainable services ➤ 2010 legacy and flagship projects ➤ Rural development |
| Rural development, food security & land reform | <ul style="list-style-type: none"> ➤ Economic development ➤ Infrastructure & sustainable services ➤ Human capital and community development ➤ Rural development |
| PROVINCIAL PRIORITIES | P PRIORITIES- MUNICIPAL RESPONSE |
| Agriculture | <ul style="list-style-type: none"> ➤ Human capital and community development ➤ Economic development ➤ Rural development |
| Skills | <ul style="list-style-type: none"> ➤ Human capital and community development ➤ Institutional development & transformation ➤ Infrastructure & sustainable services |
| Economic growth & job creation | <ul style="list-style-type: none"> ➤ Economic development ➤ 2010 legacy and flagship projects ➤ Rural development |
| Strategic infrastructure | <ul style="list-style-type: none"> ➤ 2010 legacy and flagship projects ➤ Infrastructure & sustainable services |
| Tourism, Environment & Cultural Heritage | <ul style="list-style-type: none"> ➤ Human capital & community development ➤ Flagship projects |
| Social cohesion | <ul style="list-style-type: none"> ➤ Human capital and community development ➤ 2010 legacy and flagship projects |
| DISTRICT PRIORITIES | IDP PRIORITIES- MUNICIPAL RESPONSE |
| Basic service and infrastructure development | <ul style="list-style-type: none"> ➤ Infrastructure & sustainable services |
| Local economic development | <ul style="list-style-type: none"> ➤ Economic development ➤ 2010 legacy and flagship projects |
| Institutional transformation and development | <ul style="list-style-type: none"> ➤ Institutional development and transformation ➤ 2010 legacy and flagship projects |
| Financial viability and management | <ul style="list-style-type: none"> ➤ 2010 legacy and flagship projects ➤ Financial management and viability |
| Public participation and good governance | <ul style="list-style-type: none"> ➤ Institutional development and transformation ➤ 2010 legacy and flagship projects |
| Traditional leaders | <ul style="list-style-type: none"> ➤ Human capital and community development |

| | |
|--|-------------------------------------|
| | ➤ 2010 legacy and flagship projects |
|--|-------------------------------------|

In line with the MSA, the IDP constitutes a single, inclusive strategic plan for the Municipality. The five-year programme responds to the development challenges and opportunities faced by the Municipality by identifying the key performance areas to achieve the seven strategic objectives mentioned above.

In addition to the five-year IDP, the municipality undertakes an extensive planning and developmental strategy which primarily focuses on a longer-term horizon; 15 to 20 years. This process is aimed at influencing the development path by proposing a substantial programme of public-led investment to restructure current patterns of settlement, activity and access to resources in the municipality so as to promote greater equity and enhanced opportunity. The strategy specifically targets future developmental opportunities in traditional dormitory settlements. It provides direction to the municipality's IDP, associated sectoral plans and strategies, and the allocation of resources of the municipality and other service delivery partners.

This development strategy introduces important policy shifts which have further been translated into six strategic focus areas/objectives as outlined below:

- To initiate a strong and sustainable Local/Regional Economic Development Potential and Sustainable Environmental Management
- To Strengthen the Delivery of Basic Services and ensure Sustained Integrated Human Settlement supported by Infrastructure Development
- To formulate a Broad Over-arching Human Capital and Community Development
- To build strong sustainable governance and institutional structures and arrangements
- To ensure legally sound financial viability and management
- To redefine strategic macro leadership and coordination structures involving the Local, District, Provincial and National Government

Lessons learned with previous IDP revision and planning cycles as well as changing environments were taken into consideration in the revision of the IDP, including:

- There was one standardized template used to collect information, where the communities identified their priorities, detailed problem statement and the specific section / village;
- During the consultation, communities were given an opportunity to identify key priority needs and suggest solutions;
- Diverse developmental needs in areas within each ward were noted during the Analysis phase
- Poor attendance in some wards during the consultation meetings has negative effects;
- Consultation with communities for their needs is not the analysis of needs; analysis requires further research, evaluation and a decision making process;
- Communities should be provided with maps of their areas during consultation process to assist the municipality in mapping social needs;
- Government departments and parastatals are not attending IDP meetings even though they are invited;
- Upon the approval of the IDP and Budget, each ward should receive information of all projects/programmes across the three spheres of government and other stakeholders that will be implemented in their respective wards;
- There is a need for an organized consultation process with sector departments from both the municipality and district perspective.

The 2013/14 – 2015/2016 draft budget and MTREF has therefore been directly informed by the IDP revision process and the following tables provide a reconciliation between the IDP strategic objectives and operating revenue, operating expenditure and capital expenditure.

Table SA4 - Reconciliation between the IDP strategic objectives and budgeted revenue

| Strategic Objective R thousand | Goal | 2009/10 | 2010/11 | 2011/12 | Current Year 2012/13 | | | 2013/14 Medium Term Revenue & Expenditure Framework | | |
|--|--|-----------------|-----------------|-----------------|----------------------|-----------------|--------------------|---|------------------------|------------------------|
| | | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget | Adjusted Budget | Full Year Forecast | Budget Year 2013/14 | Budget Year +1 2014/15 | Budget Year +2 2015/16 |
| To initiate a strong and sustainable Local/Regional Economic Development Potential and sustainable Environmental Management | Economic Development | 2 515 | 8 521 | 40 198 | 8 468 | 19 999 | 19 999 | 49 493 | 107 785 | 145 055 |
| To strengthen the Delivery of Basic Services and ensure sustained Intergrated Human Settlement supported by Infrastructure Development | Infrastructure & sustainable services | 867 939 | 626 506 | 658 183 | 1 003 687 | 1 015 218 | 1 015 218 | 1 044 711 | 1 103 004 | 1 140 274 |
| To formulate a Broad Over-arching Human Capital and Community Development | Human capital & community development | 457 027 | 116 710 | 148 387 | 43 489 | 55 020 | 55 020 | 84 514 | 142 806 | 180 076 |
| To build strong sustainable governance and institutional structures and arrangements | Institutional development & transformation | 51 732 | 8 288 | 39 965 | 4 143 | 15 674 | 15 674 | 45 168 | 103 460 | 140 731 |
| To ensure legally sound Financial viability and Management | Financial management & viability | 237 039 | 489 512 | 521 189 | 699 503 | 711 035 | 711 035 | 740 528 | 798 821 | 836 091 |
| Allocations to other priorities | | | | | | | | | | |
| Gains on disposal of PPE | | 1 616 253 | 1 249 537 | 1 407 922 | 1 759 289 | 1 816 946 | 1 816 946 | 1 964 414 | 2 255 876 | 2 442 228 |

Table SA5 - Reconciliation between the IDP strategic objectives and budgeted expenditure

| Strategic Objective | Goal | 2009/10 | 2010/11 | 2011/12 | Current Year 2012/13 | | | 2013/14 Medium Term Revenue & Expenditure Framework | | |
|--|--|-----------------|-----------------|-----------------|----------------------|-----------------|--------------------|---|------------------------|------------------------|
| | | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget | Adjusted Budget | Full Year Forecast | Budget Year 2013/14 | Budget Year +1 2014/15 | Budget Year +2 2015/16 |
| R thousand | | | | | | | | | | |
| To initiate a strong and sustainable Local/Regional Economic Development Potential and sustainable Environmental Management | Economic Development | 41 315 | 60 957 | 102 693 | 18 009 | 24 189 | 24 189 | 45 507 | 76 433 | 111 205 |
| To strengthen the Delivery of Basic Services and ensure sustained Intergrated Human Settlement supported by Infrastructure Development | Infrastructure & sustainable services | 568 950 | 849 521 | 891 257 | 1 018 700 | 1 024 880 | 1 024 880 | 1 046 198 | 1 077 124 | 1 111 897 |
| To formulate a Broad Over-arching Human Capital and Community Development | Human capital & community development | 253 193 | 276 346 | 318 082 | 345 131 | 351 311 | 351 311 | 372 629 | 403 554 | 438 327 |
| To build strong sustainable governance and institutional structures and arrangements | Institutional development & transformation | 293 580 | 30 312 | 72 047 | 78 650 | 84 831 | 84 831 | 106 148 | 137 074 | 171 847 |
| To ensure legally sound Financial viability and Management | Financial management & viability | 143 915 | 244 552 | 286 287 | 242 764 | 248 944 | 248 944 | 270 262 | 301 188 | 335 960 |
| Allocations to other priorities | | | | | | | | | | |
| Loss on disposal of PPE | | 1 300 953 | 1 461 688 | 1 670 366 | 1 703 255 | 1 734 156 | 1 734 156 | 1 840 745 | 1 995 373 | 2 169 236 |

Table SA6 - Reconciliation between the IDP strategic objectives and budgeted capital expenditure

| Strategic Objective | Goal | Goal Code | 2009/10 | 2010/11 | 2011/12 | Current Year 2012/13 | | | 2013/14 Medium Term Revenue & Expenditure Framework | | | | | |
|--|--|-----------|---------|---------|---------|----------------------|-----------------|-----------------|---|-----------------|--------------------|---------------------|------------------------|------------------------|
| | | | | | | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget | Adjusted Budget | Full Year Forecast | Budget Year 2013/14 | Budget Year +1 2014/15 | Budget Year +2 2015/16 |
| R thousand | | | | | | | | | | | | | | |
| To initiate a strong and sustainable Local/Regional Economic Development Potential and sustainable Environmental Management | Economic Development | A | 19 884 | 16 316 | 16 316 | 15 300 | 15 300 | 15 300 | 21 845 | 22 609 | 36 861 | | | |
| To strengthen the Delivery of Basic Services and ensure sustained Intergrated Human Settlement supported by Infrastructure Development | Infrastructure & sustainable services | C | 788 083 | 248 093 | 141 795 | 445 001 | 426 529 | 426 529 | 494 713 | 531 787 | 609 888 | | | |
| To provide sustainable social ammenities to communities | community development | E | 43 286 | 22 092 | 22 092 | 53 007 | 53 007 | 53 007 | 37 658 | 46 323 | 54 870 | | | |
| To build strong sustainable governance and institutional structures and arrangements | Good Governance & public participation | F | 1 786 | 13 500 | 13 500 | 11 310 | 11 310 | 11 310 | 29 620 | 32 860 | 25 400 | | | |
| To ensure legally sound Financial viability and Management | Financial Management | G | 341 | 1 245 | 1 245 | 10 950 | 10 950 | 10 950 | 13 450 | 12 150 | 12 700 | | | |
| To Maintain and Sustain the 2010 legacy projects | 2010 legacy projects | H | | | - | 6 000 | 6 000 | 6 000 | - | - | - | | | |
| Allocations to other priorities | | | | | | | | | | | | | | |
| Total Capital Expenditure | | | 853 380 | 301 246 | 194 948 | 541 568 | 523 096 | 523 096 | 597 286 | 645 729 | 739 719 | | | |

2.3 MEASURABLE PERFORMANCE OBJECTIVES AND INDICATORS

Performance Management is a system intended to manage and monitor service delivery progress against the identified strategic objectives and priorities. In accordance with legislative requirements and good business practices as informed by the National Framework for Managing Programme Performance Information, the Municipality has developed and implemented a performance management system of which system is constantly refined as the integrated planning process unfolds. The Municipality targets, monitors, assess and reviews organisational performance which in turn is directly linked to individual employee's performance.

At any given time within government, information from multiple years is being considered; plans and budgets for next year; implementation for the current year; and reporting on last year's performance. Although performance information is reported publicly during the last stage, the performance information process begins when policies are being developed, and continues through each of the planning, budgeting, implementation and reporting stages. The planning, budgeting and reporting cycle can be graphically illustrated as follows:

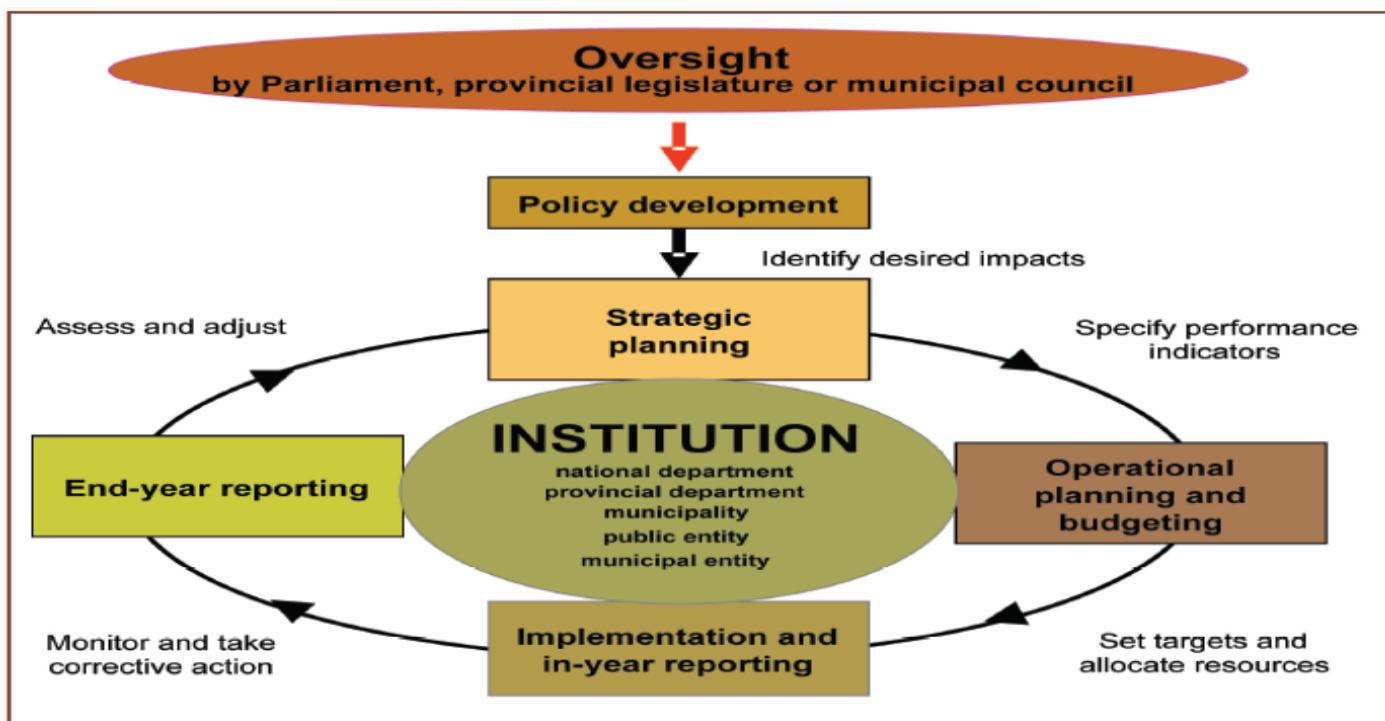


Figure 1 Planning, budgeting and reporting cycle

The performance of the municipality relates directly to the extent to which it has achieved success in realising its goals and objectives, complied with legislative requirements and meeting stakeholder expectations. The Municipality therefore has adopted one integrated performance management system which encompasses:

- Planning (setting goals, objectives, targets and benchmarks);
- Monitoring (regular monitoring and checking on the progress against plan);
- Measurement (indicators of success);
- Review (identifying areas requiring change and improvement);
- Reporting (what information, to whom, from whom, how often and for what purpose); and
- Improvement (making changes where necessary).

The performance information concepts used by the Municipality in its integrated performance management system are aligned to the **Framework of Managing Programme Performance Information** issued by the National Treasury.

The following table sets out the municipality's main performance objectives and benchmarks for the 2011/12 MTREF

Table SA8 - Performance indicators and benchmarks

| Description of financial indicator | Basis of calculation | 2009/10 | 2010/11 | 2011/12 | Current Year 2012/13 | | | | 2013/14 Medium Term Revenue & Expenditure Framework | | |
|--|---|-----------------|-----------------|-----------------|----------------------|-----------------|--------------------|-------------------|---|------------------------|------------------------|
| | | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget | Adjusted Budget | Full Year Forecast | Pre-audit outcome | Budget Year 2013/14 | Budget Year +1 2014/15 | Budget Year +2 2015/16 |
| Borrowing Management | | | | | | | | | | | |
| Credit Rating | | A2 za | A2 za | A2 za | A2 za | A2 za | A2 za | A2 za | | | |
| Capital Charges to Operating Expenditure | Interest & Principal Paid /Operating Expenditure | 2.1% | 2.5% | 2.7% | 3.5% | 6.0% | 6.0% | 6.0% | 3.6% | 3.3% | 3.6% |
| Capital Charges to Own Revenue | Finance charges & Repayment of borrowing /Own Revenue | 2.3% | 3.9% | 4.3% | 4.1% | 7.4% | 7.4% | 7.4% | 4.1% | 3.5% | 4.0% |
| Borrowed funding of 'own' capital expenditure | Borrowing/Capital expenditure ex cl. transfers and grants and contributions | 0.1% | 81.9% | 28.2% | 102.6% | 64.3% | 64.3% | 64.3% | 35.7% | 0.0% | 22.9% |
| Safety of Capital | | | | | | | | | | | |
| Gearing | Long Term Borrowing/ Funds & Reserves | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% |
| Liquidity | | | | | | | | | | | |
| Current Ratio | Current assets/current liabilities | 0.5 | 0.3 | 0.2 | 1.2 | 0.9 | 0.9 | 0.9 | 1.5 | 1.9 | 2.5 |
| Current Ratio adjusted for aged debtors | Current assets less debtors > 90 days/current liabilities | 0.5 | 0.3 | 0.2 | 1.2 | 0.9 | 0.9 | 0.9 | 1.5 | 1.9 | 2.5 |
| Liquidity Ratio | Monetary Assets/Current Liabilities | 0.0 | 0.0 | 0.1 | 0.7 | 0.5 | 0.5 | 0.5 | 1.0 | 1.4 | 2.1 |
| Revenue Management | | | | | | | | | | | |
| Annual Debtors Collection Rate (Payment Level %) | Last 12 Mths Receipts/Last 12 Mths Billing | | 13.0% | 102.7% | 101.5% | 85.5% | 77.4% | 77.4% | 77.4% | 75.6% | 71.7% |
| Current Debtors Collection Rate (Cash receipts % of Ratepayer & Other revenue) | | | 13.0% | 102.7% | 101.5% | 85.5% | 77.4% | 77.4% | 77.4% | 71.2% | 69.1% |
| Outstanding Debtors to Revenue | Total Outstanding Debtors to Annual Revenue | 14.3% | 9.4% | 6.5% | 3.9% | 4.7% | 4.7% | 4.7% | 4.2% | 3.6% | 3.2% |
| Longstanding Debtors Recovered | Debtors > 12 Mths Recovered/Total Debtors > 12 Months Old | | | 3.0% | 2.0% | 2.0% | 2.0% | 2.0% | 3.0% | 3.0% | 3.0% |
| Creditors Management | | | | | | | | | | | |
| Creditors System Efficiency | % of Creditors Paid Within Terms (within MFMA's 65(e)) | 90.0% | 90.0% | 90.0% | 95.0% | 95.0% | 95.0% | 95.0% | 95.0% | 95.0% | 95.0% |
| Creditors to Cash and Investments | | -583.1% | 1780.4% | 952.6% | 102.0% | 118.9% | 118.9% | 118.9% | 69.8% | 51.6% | 38.2% |
| Other Indicators | | | | | | | | | | | |
| Electricity Distribution Losses (2) | Total Volume Losses (kW) | | | | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | Total Cost of Losses (Rand '000) | 61193899 | | | | | | | | | |
| | | 48,343 | 31,000 | | - | - | - | - | - | - | - |
| Water Distribution Losses (2) | Total Volume Losses (kℓ) | | | | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | Total Cost of Losses (Rand '000) | 618486 | | | | | | | | | |
| | | 5,332 | 2,000 | | - | - | - | - | - | - | - |
| Employee costs | Employee costs/(Total Revenue - capital revenue) | 18.4% | 29.5% | 27.9% | 24.5% | 22.7% | 22.7% | 22.7% | 23.8% | 23.2% | 23.2% |
| Remuneration | Total remuneration/(Total Revenue - capital revenue) | 20.0% | 30.9% | 27.9% | 25.7% | 24.8% | 24.8% | 24.8% | 25.0% | 24.2% | 24.2% |
| Repairs & Maintenance | R&M/(Total Revenue excluding capital revenue) | 8.1% | 10.6% | 9.5% | 8.7% | 8.5% | 8.5% | 8.5% | 6.3% | 5.9% | 5.8% |
| Finance charges & Depreciation | FC&D/(Total Revenue - capital revenue) | 13.3% | 25.6% | 23.9% | 18.8% | 17.1% | 17.1% | 17.1% | 17.3% | 16.4% | 17.1% |
| IDP regulation financial viability indicators | | | | | | | | | | | |
| i. Debt coverage | (Total Operating Revenue - Operating Grants)/Debt service payments due within financial year) | 46.0 | 33.0 | 62.1 | 18.1 | 18.1 | 18.1 | 62.6 | 63.8 | 55.5 | 58.9 |
| ii.O/S Service Debtors to Revenue | Total outstanding service debtors/annual revenue received for services (Available cash + Investments)/monthly fixed operational expenditure | 39.1% | 16.5% | 10.7% | 7.2% | 8.9% | 8.9% | 8.9% | 7.9% | 6.9% | 6.0% |
| iii. Cost coverage | | (0.8) | 0.2 | 0.4 | 1.4 | 1.1 | 1.1 | 1.1 | 2.0 | 2.6 | 3.4 |

2.3.1 Financial performance indicators and benchmarks

(a) Borrowing management

Capital expenditure in local government can be funded by capital grants, own-source revenue and long term borrowing. The ability of a municipality to raise long term borrowing is largely dependent on its creditworthiness and financial position. As with all other municipalities, Mbombela Municipality's borrowing strategy is primarily informed by the affordability of debt repayments. The structure of the Municipality's debt portfolio is dominated by annuity loans. The following financial performance indicators have formed part of the compilation of the 2013/14 MTREF:

Borrowing to asset ratio is a measure of the long-term borrowing as a percentage of the total asset base of the municipality. It can be noted that the borrowing asset ratio of Mbombela local municipality is increasing for the medium term.

Capital charges to operating expenditure are a measure of the cost of borrowing in relation to the operating expenditure. It can be seen that the cost of borrowing is 3.6 per cent steady compared to 2012/13 a decrease from 3.6 per cent in 2013/14 to 3.3 per cent in 2014/15. This decrease can be attributed to the decrease of loans to fund portions of the capital programme in the MTREF. While borrowing is considered a prudent financial instrument in financing capital infrastructure development, this indicator will have to be carefully monitored going forward as the Municipality has reached its prudential borrowing limits.

In summary, various financial risks could have a negative impact on the future borrowing capacity of the municipality. In particular, the continued ability of the Municipality to meet its revenue targets and ensure its forecasted cash flow targets are achieved will be critical in meeting the repayments of the debt service costs. As part of the compilation of the 2013/14 MTREF the potential of smoothing out the debt profile over the longer term will be investigated.

(b) Safety of Capital

The debt-to-equity ratio is a financial ratio indicating the relative proportion of equity and debt used in financing the municipality's assets. The indicator is based on the total of loans, creditors, overdraft and tax provisions as a percentage of funds and reserves.

(c) Liquidity

Current ratio is a measure of the current assets divided by the current liabilities and as a benchmark the Municipality has set a limit of 1, hence at no point in time should this ratio be less than 1. For the 2013/14 MTREF the current ratio is 1.5, 2014/15 financial year is 1.9 and 2.5 for 2015/16.

The liquidity ratio is a measure of the ability of the municipality to utilize cash and cash equivalents to extinguish or retire its current liabilities immediately. Ideally the municipality should have the equivalent cash and cash equivalents on hand to meet at least the current liabilities, which should translate into a liquidity ratio of 1. Anything below 1 indicates a shortage in cash to meet creditor obligations. For the 2013/14 financial year the ratio was 1.0 and as part of the financial planning strategy it has been increased to 1.4 in the 2014/15 and 2.1 in 2015/16 financial year. This means the municipality had increased slightly in its revenue collection compared to 2012/13.

(d) Revenue Management

As part of the financial sustainability strategy, the municipality has revised its revenue enhancement strategy and theme of the strategy is, "let us make revenue management everyone' s business in the municipality" we believe that through the aggressive implementation of the strategy framework, the

financial stability in the short-term and sustainability in the long-term will be achieved. The intention of the strategy is to streamline the revenue value chain by ensuring accurate billing, customer service, and credit control and debt collection.

(e) Creditors Management

The Municipality has managed to ensure that creditors are settled within the legislated 30 days of invoice. While the liquidity ratio is of concern, by applying daily cash flow management the municipality has managed to ensure a 100% compliance rate to this legislative obligation. This has had a favourable impact on suppliers' perceptions of risk of doing business with the Municipality, which is expected to benefit the Municipality in the form of more competitive pricing of tenders, as suppliers compete for the Municipality's business.

(f) Other Indicators

Employee costs as a percentage of operating revenue continues to decrease over the MTREF. This is primarily owing to the high increase in bulk purchases which directly increase revenue levels, as well as increased allocation relating to operating grants and transfers.

2.3.2 Free Basic Services: basic social services package for indigent households

The social package assists residents that have difficulty paying for services and are registered as indigent households in terms of the Indigent Policy of the Municipality. With the exception of water, only registered indigents qualify for the free basic services.

For the 2013/14 financial year 13,703 registered indigents will be provided for in the budget. In terms of the Municipality's indigent policy registered households are entitled to 6kl fee water, 50 kwh of electricity, 6 kl sanitation and free waste removal equivalent to 85l once a week, as well as a discount on their property rates.

Further detail relating to the number of households receiving free basic services, the cost of free basic services, highest level of free basic services as well as the revenue cost associated with the free basic services is contained in Table A10 (Basic Service Delivery Measurement).

Note that the number of households in informal areas that receive free services and the cost of these services (e.g. the provision of water through stand pipes, water tankers, etc) are not taken into account in the table noted above.

2.3.3 Providing clean water and managing waste water

The Department of Water Affairs conducts an annual performance rating of water treatment works, presenting a Blue Drop or Green Drop award respectively to potable water treatment works and waste water treatment works that meet certain criteria of excellence.

Minimum Green Drop certification standards. This has been prioritised as part of the 2013/14 medium term capital budget.

The following is briefly the main challenges facing the Municipality in this regard:

- (a) The infrastructure at most of the waste water treatment works is old and insufficient to treat the increased volumes of waste water to the necessary compliance standard;
- (b) Shortage of skilled personnel makes proper operations and maintenance difficult;
- (c) Electrical power supply to some of the plants is often interrupted which hampers the purification processes; and

(d) There is a lack of proper regional catchment management, resulting in storm water entering the sewerage system.

The following are some of the steps that have been taken to address these challenges:

- (a) Infrastructure shortcomings are being addressed through the capital budget in terms of a 5-year upgrade plan;
- (b) The filling of vacancies has commenced and the Waste Water Division will embark on an in-house training programme, especially for operational personnel;
- (c) The Electricity Division is to install dedicated power supply lines to the plants; and
- (d) The Division is working in consultation with the Department of Water Affairs to address catchment management.
- (e) Updating the infrastructure plan of the municipality.

2.4 OVERVIEW OF BUDGET RELATED-POLICIES

As required by law, the budgeting process is guided and governed by relevant legislations, framework and policies, all the budget related policies must be reviewed annually. Any amendments, additions or deletions must be tabled to Council for approval.

Mbombela Local Municipality has reviewed the following Budget Related policies for the financial year 2013/2014:

2.4.1 Virement policy

This is a policy that is designed to manage the shifting of funds within and between votes during a financial year. Its main objective is to give guidance to all relevant stakeholders on how to shift and manage funds within their budgets as per approved delegations.

The Municipal Budget and Reporting Regulations (No 3241) and Circular 51 issued by the National Treasury serve as guidelines in implementation of this policy.

It was resolved that the following additions/amendments be made to the policy

- No virements should be allowed on non-cash items (e.g. depreciation).
- The delegations should be in line with the new organizational structure.
- No virement can be approved on the salary related votes except through Council approval.
- Virements on cash items must be within the same category.
- Principle (c) must be qualified with conditions, where by the legislations apply e.g. Unforeseen and unavoidable expenditure MFMA section 29 (2) – (3).

2.4.2 Budget policy

The budget policy deals mainly with all matters regarding budget matters. It gives a direction on how all the processes should be followed. The legislative and compliance requirements in terms of time lines are also indicated in this policy.

It was resolved that:

- (a) The alignment with GRAP requirements be incorporated into the policy.
- (b) The financial norms and standards.
- (c) Funding and reserves be incorporated into the budget policy.

2.4.3 Credit control and debt collection policy

The policy is required in terms of chapter 9 of the Municipal Systems Act (MSA) no 32 of 2000 (s 95, 96, 97 and 98). A policy must be developed in order to provide for a mechanism on which credit control and debt collection measures will be effected. The guidelines required by the Act in terms of s 97(1)(a) – (i) must be clearly indicated in the policy.

Section 98 of the MSA further requires that Council must adopt by laws to give effect to the policy, its implementation and enforcement.

There following is the proposed amendments which need to be incorporated into the policy which include amongst others:

- (a) Page 10, Section 4.3.2 to outline a clear guidance on acceptable security deposit payments in the municipality
- (b) Page 11, acceptance of cheques be limited to not more than two dishonoured payment cheques for one client
- (c) The section on budget and IDP be deleted as it is not appropriate in the policy.
- (d) In the system UNIX, there should be two separate accounts for owners and tenants where owners are renting out properties to avoid inconveniencing tenants because of a reluctant owner.
- (e) Page 14, delete 4.11.2. Policy must to refer to Rates by-laws.

2.4.4 Economic investment and promotion policy

This policy is a newly developed policy from the Local Economic Development unit. Its major objective is to provide a framework for the uniform development of incentives in Mbombela Local Municipality that will assist to

- (a) attract investment.
- (b) return existing investment.
- (c) stimulate and create job opportunities.
- (d) support investment into IDP projects.

As per deliberations, it was agreed that proper enforcement of this policy will have positive and beneficial impact to the municipality. The proposed types of incentives were also look at it was then agreed that a phase in approach as per the provisions Municipal Property Rates Act No 6 of 2004. These provisions are outlined in the Mbombela Local Municipality Property Rates By Law in terms of section 9.4.1(b).

2.4.5 Investment policy

This policy gives effect to the requirements as set out on s 13(2) of the Municipal Finance Management Act no 56 of 2003 and the Municipal Investment Regulations (Gazette 2743) of April 2005.

All investment related practices are guided by the implementation of this policy. It clearly outlines the roles and responsibilities of all role players in the management of the cash resources.

After deliberations during the workshop it was resolved that the following amendments or additions be incorporated into the policy:

- (a) Asset financing fund be changed to be called distributable accumulative reserve.

- (b) GAMAP be replaced with GRAP.
- (c) The policy must also indicate the risk spread factor rather than investing everything in one.
- (d) Clear segregation of duties amongst all role players be indicated.
- (e) Investment committee be informed timeously of any investment decision made or to be made where possible.
- (f) Approval be granted by the Manager responsible for investment decisions to be made by Investment Officer.

2.4.6 Funding and reserves policy

The provisions of the funding and reserves policy will be separated from the budget policy.

2.4.7 Indigent policy

The department of Cooperative Governance and Traditional Authorities has issued a guideline on formulation of Indigent Policy. This guideline has been used in developing the Indigent Policy for Mbombela Local Municipality.

EPWP initiatives must form part of this indigent policy in job creation for the indigents. The linkage of the Supply Chain Management policy to the Indigent policy must be seriously considered as well as LED policy.

2.4.8 Payroll discrepancy policy

The non-existence of a policy to deal with payroll issues was raised as a concern by the Auditor General. A policy has been developed in terms of the Basic Conditions of Employment Act No 75 of 1997 s34 (5)(a) which states that :

The policy has been developed and its main objectives are:

- (a) To establish policy and procedures for identifying, correcting and recovering salary overpayments and correcting underpayments
- (b) To ensure consistent application of actions taken when implementing the policy
- (c) Establish control measures to mitigate the risk of overpayments and early detection should such occur whether due to human error, technological failure or fraudulent activities.

2.4.9 Supply chain management policy

Chapter 11 of the Municipal Finance Management Act No 50 of 2003 deals with Goods and Services. In terms of s111, each municipality must have and implement a Supply Chain Management policy which gives effect to provisions of this part of the Act.

In August 2005, National Treasury issued Circular 22, Supply Chain Management Model policy. This model policy has been developed to be fully compliant with MFMA. In terms of the circular the model must be adopted as the policy of the municipality and guidelines for adoption the following were proposed:

- (a) The charging of businesses run on residential area was identified as a challenge.

- (b) The prices for tender documents be regulated and be included in the policy as a regulation further form part of the tariff book. After deliberations it was agreed that CIDB price ranges be used as a benchmark for pricing these tenders.
- (c) The awarding of tenders to service providers in arrears with the municipality was discussed.
- (d) The policy must give guidance on how to deal with incubation programme.
- (e) The functionality procedures must be regulated and incorporated in the policy to avoid favouritism

2.4.10 Supplier performance monitoring policy

No changes are proposed on this policy.

2.4.11 Contract management policy

This policy is linked to the supplier performance monitoring policy. It has been developed in terms of s 116(2) of the MFMA. The lack of proper contract management or consistent application of contract management necessitated the development of this policy.

A dedicated unit in the SCM sub directorate with the assistance of the Legal Services within Council will be the key custodians of the policy. The Project Managers and user departments will in terms of the policy be accountable for the specific project whilst it is underway and will work closely with the Contract Management unit to ensure compliance to the policy.

2.4.12 Property rates policy & by law

The Municipal Property Rates Act no 6 of 2004 provides a framework to which municipalities must comply when imposing rates on properties. S 62 of the MFMA requires that the accounting officer must ensure that the municipality has and implements a rates policy embodied in a bylaw as per s 6 of the MPRA.

In the implementation of the above a property rates by law was gazetted on 21 July 2010 as provincial gazette no 1841. As required by law annually the policy needs to be reviewed, the following changes are proposed:

- (a) A committee be established to review applications in order to identify properties that deserve relief measures. This committee will be given terms of reference.
- (b) Rating ratios regarding the **properties categorised as other** should be changed through a phase reduction to avoid financial implication.
- (c) The rates policy must be aligned to the Municipal Property Rates Act.
- (d) On the issue on the categorising of Share block, the meeting suggested that a benchmarking be done with municipality of the same capacity who have share blocks.

2.4.13 Tariff policy & by law

Section 74 of the Municipal Systems Act no 32 of 2000, provides a framework on the formulation of a tariff policy. This policy together with the by law adopted in terms of s 75 are part of the budget related policies that must be reviewed annually. A tariff policy consistent with the provisions of the Act has been developed the following amendments changes are proposed;

- (a) the tariff for bid documents be included in the policy
- (b) value added tax matters (inclusive or exclusive) be clearly indicated on the policy;
- (c) Council sponsored events taking place in Council premises/properties be categorised as commercial or non-commercial;
- (d) events mentioned above be charged different tariffs to cover costs accordingly; and
- (e) percentage or determination thereof of takings which Council will charge be mentioned in the policy.

2.4.14 Asset management policy

The safeguarding and maintenance of assets, valuation in accordance with GRAP, maintaining a system of internal control and keeping an asset register are key elements of the Asset Management Framework. In order to ensure above is done in a consistent and legally compliant manner, a policy directive needs to be adopted.

The municipality has recently completed an exercise where the asset base of the municipality was properly quantified and a GRAP compliant asset register completed. An asset management policy is therefore critical as it will ensure that all relevant stakeholders and role players understand their roles and responsibilities.

2.4.15 Insurance policy

The main objective of the insurance policy is to:

- (a) Create awareness to all employees of the risks associated with all insurable interests
- (b) Ensure reasonable steps are taken to mitigate and minimise all risks
- (c) Identify all potential risks and enforce risk control measures
- (d) Minimise losses by ensuring proper management control housekeeping and maintenance of assets

The policy must be read in conjunction with the Asset Management policy.

All the policies discussed above will be approved by Council on 31 May 2013 and the following policies will be gazetted into by laws for effective enforcement once the public participation and consultative process has been undertaken;

- (a) Credit Control and Debt Collection Policy
- (b) Indigent Policy
- (c) Property Rates policy
- (d) Tariff policy & buy- laws

2.5 OVERVIEW OF BUDGET ASSUMPTIONS

2.5.1 External factors

Unemployment remains very high and escalating according to the latest unemployment statistics released by Statistics South Africa.

The consequence of slow economic growth and deterioration of the labour market (increase in unemployment rate) will be felt by the municipalities in terms of expectation on revenue growth and cash flows. And therefore a conservative approach will need to be adopted when projections are made for expected revenues cash receipts in the next medium-term.

2.5.2 Credit rating outlook

Credit rating outlook

The rating definitions are:

- (a) Short term : Prime – 1
Short-Term Debt Ratings (maturities of less than one year)
Prime-1 (highest quality)
- (b) Long-term : Aa3.za
Defined as high-grade. “Aa” rated are judged to be of high quality and are subject to very low credit risk.

2.5.3 Interest rates for borrowing and investment of funds

The MFMA specifies that borrowing can only be utilised to fund capital or refinancing of borrowing in certain conditions. The City engages in a number of financing arrangements to minimise its interest rate costs and risk. However, for simplicity the 2012/13 MTREF is based on the assumption that all borrowings are undertaken using fixed interest rates for amortisation-style loans requiring both regular principal and interest payments. As part of the compilation of the 2013/14 MTREF the potential of smoothing out the debt profile over the long term will be investigated.

2.5.4 Collection rate for revenue services

The payment level trend for the past three years, including current financial year until to date is as follows;

| Description | Actual 2009/10 | Actual 2010/11 | Actual 2011/12 | Estimate 2012/13 | Estimate 2013/14 | Forecast 2014/15 | Forecast 2015/16 |
|----------------|----------------|----------------|----------------|------------------|------------------|------------------|------------------|
| Payment Levels | 85% | 97% | 90% | 93% | 93% | 93% | 94% |

The collection average rate of 93% on current accounts will be maintained over the medium-term. The provision for doubtful debts has been projected at 7% over the medium-term.

2.5.5 Growth or decline in tax base of the municipality

The municipality has revised a revenue enhancement strategy to respond to the challenges encountered by the municipality in revenue generation and collection. The strategy seeks to ensure that there is improvement in payment levels and recovery of outstanding debt. The revised strategy has been adopted by the municipal council on 28 February 2013 and it is believed that through the making revenue management everyone's business in the municipality, the fundamental objectives of the strategy will be achieved.

The set target for collection of revenue over the medium-term on current account for rates and services charge is as outlined on the table above and the collection on outstanding debt is an average of 12% per annum or 1.0% per month.

The municipality is also in the process of expanding its revenue base by implementing a development flatrate levy which the draft strategy was adopted by the municipal council on 28 February 2013 for public participation and consultative process.

2.5.6 Salary increases

The employees' remuneration cost will be R468 million in 2013/2014 financial year due to an increase of R57 million (13.8%) and the expenditure to the total operating revenue budget, excluding conditional grants is 30%. The employees remuneration cost will increase to R567 million in 2015/2016 financial year and the expenditure to the total operating budget will be 29%. Included in the employees remuneration cost budget is amount of R53 million for filling critical vacant posts, especially in Service Delivery Departments over the medium-term as per the implementation of the new organizational structure approved by council, under item A(65) of 27 October 2011.

2.5.7 Impact of national, provincial and local policies

Integration of service delivery between national, provincial and local government is critical to ensure focussed service delivery and in this regard various measures were implemented to align IDPs, provincial and national strategies around priority spatial interventions. In this regard, the following national priorities form the basis of all integration initiatives:

- (a) Creating jobs;
- (b) Enhancing education and skill development;
- (c) Improving Health services;
- (d) Rural development and agriculture; and
- (e) Fighting crime and corruption.

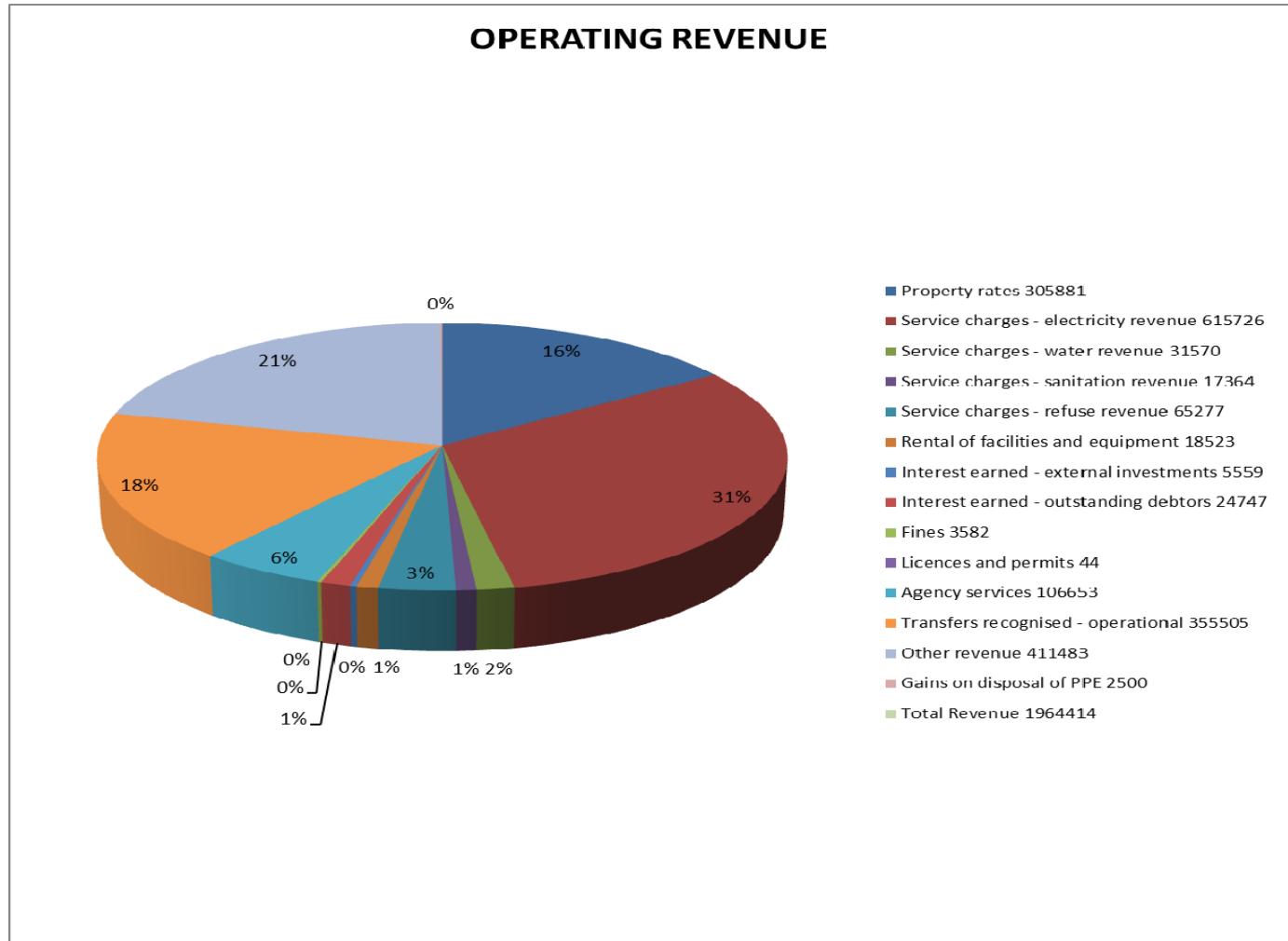
To achieve this national priority, municipalities are urged to when drafting 2013/14 budgets to explore opportunities to mainstream labour intensive approaches to delivering services, and more particularly to participate fully in the EPWP. The municipality ought to focus on maximizing its contribution to job creation by;

- Ensuring that service delivery and capital project use labour intensive methods wherever appropriate.
- Ensuring that service providers use labour intensive approaches.
- Supporting labour intensive Local Economic Development projects.
- Participating fully in the Expanded Public Works Programmes/National youth service plan.
- Implementing interns programmes to provide young people with on-the-job training.

2.6 OVERVIEW OF BUDGET FUNDING

2.6.1 Medium-term outlook: operating revenue

The following graph is a breakdown of the operational revenue per main category for the 2013/14 financial year.



Tariff setting plays a major role in ensuring desired levels of revenue. Getting tariffs right assists in the compilation of a credible and funded budget. The City derives most of its operational revenue from the provision of goods and services such as water, electricity, sanitation and solid waste removal.

The revenue strategy is a function of key components such as:

- Growth in the city and economic development;
- Revenue management and enhancement;
- Achievement of a 93% annual collection rate on revenue from rates and services charge;
- National Treasury guidelines;
- Electricity tariff increases within the National Electricity Regulator of South Africa (NERSA) approval;
- Achievement of full cost recovery of specific user charges;
- Determining tariff escalation rate by establishing/calculating revenue requirements;
- The Property Rates Policy in terms of the Municipal Property Rates Act, 2004 (Act 6 of 2004) (MPRA), and
- And the ability to extend new services and obtain cost recovery levels.

The above principles guide the annual increase in the tariffs charged to the consumers and the ratepayers aligned to the economic forecasts.

The proposed tariff increases for the 2013/14 MTREF on the different revenue categories are:

| Description | 2009/10 | 2010/11 | 2011/12 | 2012/13 | 2013/14 | 2014/15 | 2015/16 |
|---|---------|---------|---------|---------|---------|---------|---------|
| Electricity | 31.27% | 19.0% | 20.38% | 12.0% | 8.0% | 8.0% | 8.0% |
| Water | 8.0% | 7.0% | 8.0% | 9.75% | 8.0% | 8.0% | 8.0% |
| Sewer | 8.0% | 6.0% | 8.0% | 9.75% | 8.0% | 8.0% | 8.0% |
| Refuse Removal | 9.0% | 8.0% | 10.0% | 10.25% | 9.5% | 9.75% | 9.5% |
| Property Rates | 0.0% | 3.0% | 5.0% | 6.5% | 6.5% | 6.8% | 6.2% |
| Other tariffs | 10.0% | 6.0% | 10.0% | 11.0% | 12.0% | 12.0% | 12.0% |
| Sembcorp/Silulumanzi Water and Sewerage | 10.99% | 14.42% | 9.74% | 10.42% | | | |

Table 1 Sources of capital revenue over the MTREF

| FUNDING SOURCE | 2013/2014 BUDGET FORECAST | 2014/2015 BUDGET ESTIMATE | 2015/2016 BUDGET ESTIMATE | Budget % |
|---|---------------------------------|---------------------------------|---------------------------------|-------------|
| Municipal Infrastructure Grant | R 197,031,015 | R 233,886,675 | R 253,488,956 | 33% |
| Capital Replacement Reserve | R 160,295,044 | R 201,998,392 | R 258,709,323 | 27% |
| Public Transport Infrastructure Grant | R 108,563,158 | R 171,122,170 | R 87,909,000 | 18% |
| Borrowings | R 87,541,357 | R 10,437,017 | R 81,346,596 | 15% |
| Public Contribution | R 9,000,000 | R - | R - | 2% |
| DWA Refurbishment Grant | R 8,052,632 | R - | R - | 1% |
| Integrated National Electrification Programme Grant | R 7,061,404 | R 4,385,965 | R 13,157,895 | 1% |
| Municipal Water Infrastructure Grant | R 6,719,298 | R 16,799,123 | R 33,598,246 | 1% |
| Energy Efficiency Grant (EEDSM) | R 4,385,965 | R - | R 1,758,772 | 1% |
| Neighbourhood Development Programme Grant | R 4,385,965 | R - | R - | 1% |
| Service Contribution | R 4,250,000 | R 7,100,000 | R 9,750,000 | 1% |
| Grand Total | R 597,285,838 | R 645,729,341 | R 739,718,787 | 100% |

The allocation of the capital funding on projects was based on the national, provincial and municipal priorities informed by the public participation and consultative process conducted during the review of the Integrated Development Plan (IDP).

The municipality will be spending in the next three years R1 477 billion (74%) of the total capital expenditure budget) on services infrastructure development to address backlogs in terms of;

- Allocation for bulk water amounts to R294 million for the upgrade of the Karino and Nyongane Bulk Water Schemes – R81 million has been allocated for 2013/2014 financial year;
- Allocation for renewal and construction of new water reticulation networks amounts to R268 million over the medium-term – R66 million has been allocated for 2013/2014 financial year;
- Allocation for renewal and construction of new roads and stormwater systems amounts to R371 million over the medium-term – R124 million has been allocated for 2013/2014 financial year;

- Allocation for renewal and construction of new electricity infrastructure amounts to R116 million over the medium-term – R40 million has been allocated for 2013/2014 financial year;
- Allocation for provision of decent sanitation and upgrade of existing wastewater and sewerage networks amounts to R59 million over the medium-term – R35 million has been allocated for 2013/2014 financial year; and
- Allocation for new public transport infrastructure amounts to R368 million over the medium-term – R108 million has been allocated for 2013/2014 financial year.

Cash and cash equivalents / Cash backed reserves and accumulated funds

| Description | MFMA section | Ref | 2009/10 | 2010/11 | 2011/12 | Current Year 2012/13 | | | | 2013/14 Medium Term Revenue & Expenditure Framework | | |
|---|--------------|-----|-----------------|-----------------|-----------------|----------------------|-----------------|--------------------|-------------------|---|------------------------|------------------------|
| | | | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget | Adjusted Budget | Full Year Forecast | Pre-audit outcome | Budget Year 2013/14 | Budget Year +1 2014/15 | Budget Year +2 2015/16 |
| | | | | | | | | | | | | |
| Funding measures | | | | | | | | | | | | |
| Cash/cash equivalents at the year end - R'000 | 18(1)b | 1 | (56,180) | 15,774 | 35,792 | 132,301 | 110,156 | 110,156 | 206,263 | 293,264 | 415,179 | |
| Cash + investments at the yr end less applications - R'000 | 18(1)b | 2 | (479,449) | (250,657) | (357,455) | 41,709 | 52,581 | 52,581 | 113,155 | 202,442 | 327,841 | |
| Cash year end/monthly employee/supplier payments | 18(1)b | 3 | (0.8) | 0.2 | 0.4 | 1.4 | 1.1 | 1.1 | 2.0 | 2.6 | 3.4 | |
| Surplus/(Deficit) excluding depreciation offsets: R'000 | 18(1) | 4 | 315,300 | (212,152) | (262,445) | 56,035 | 82,790 | 82,790 | 123,669 | 260,503 | 272,992 | |
| Service charge rev % change - macro CPIX target exclusive | 18(1)a,(2) | 5 | N.A. | 10.0% | 16.1% | 7.9% | (6.0%) | (6.0%) | (6.0%) | 3.7% | 4.5% | 5.4% |
| Cash receipts % of Ratepayer & Other revenue | 18(1)a,(2) | 6 | 13.0% | 102.7% | 101.5% | 85.5% | 77.4% | 77.4% | 77.4% | 71.2% | 69.1% | 72.5% |
| Debt impairment expense as a % of total billable revenue | 18(1)a,(2) | 7 | 8.7% | 1.3% | 6.5% | 7.8% | 7.4% | 7.4% | 7.4% | 6.9% | 5.9% | 5.9% |
| Capital payments % of capital expenditure | 18(1)c;19 | 8 | (18.3%) | 102.3% | 104.8% | 95.2% | 82.8% | 82.8% | 82.8% | 95.5% | 100.0% | 100.0% |
| Borrowing receipts % of capital expenditure (excl. transfers) | 18(1)c | 9 | 0.1% | 79.5% | 27.4% | 45.4% | 32.6% | 32.6% | 32.6% | 34.5% | 0.0% | 22.9% |
| Grants % of Govt. legislated/gazetted allocations | 18(1)a | 10 | | | | | | | | 47.6% | 44.3% | 50.4% |
| Current consumer debtors % change - incr(decr) | 18(1)a | 11 | N.A. | (49.1%) | (22.6%) | (23.7%) | 23.7% | 0.0% | 0.0% | (3.2%) | (3.0%) | (3.0%) |
| Long term receivables % change - incr(decr) | 18(1)a | 12 | N.A. | (54.7%) | 31.8% | (100.0%) | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% |
| R&M % of Property Plant & Equipment | 20(1)(vi) | 13 | 2.5% | 2.5% | 2.6% | 2.7% | 2.9% | 2.9% | 2.3% | 2.3% | 2.4% | 2.4% |
| Asset renewal % of capital budget | 20(1)(vi) | 14 | 29.7% | 22.5% | 22.5% | 46.7% | 44.8% | 44.8% | 0.0% | 55.0% | 46.9% | 42.3% |
| Supporting indicators | | | | | | | | | | | | |
| % incr total service charges (incl prop rates) | 18(1)a | | | 16.0% | 22.1% | 13.9% | (0.6%) | 0.0% | 0.0% | 9.7% | 10.5% | 11.4% |
| % incr Property Tax | 18(1)a | | | 5.7% | 24.2% | 14.4% | (0.1%) | 0.0% | 0.0% | 8.9% | 10.2% | 10.7% |
| % incr Service charges - electricity revenue | 18(1)a | | | 21.9% | 23.4% | 14.2% | (0.7%) | 0.0% | 0.0% | 9.8% | 10.4% | 11.6% |
| % incr Service charges - water revenue | 18(1)a | | | 41.1% | 0.4% | 11.6% | (4.3%) | 0.0% | 0.0% | 14.7% | 10.3% | 10.6% |
| % incr Service charges - sanitation revenue | 18(1)a | | | (0.1%) | 17.3% | 16.1% | (8.2%) | 0.0% | 0.0% | 9.9% | 10.4% | 10.7% |
| % incr Service charges - refuse revenue | 18(1)a | | | 9.4% | 15.2% | 9.6% | 1.8% | 0.0% | 0.0% | 10.9% | 11.9% | 12.4% |
| % incr in Service charges - other | 18(1)a | | | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% |
| Total billable revenue | 18(1)a | | 590,295 | 709,369 | 850,406 | 969,504 | 960,642 | 960,642 | 960,642 | 1,054,341 | 1,164,932 | 1,297,476 |
| Service charges | | | 588,882 | 682,873 | 833,975 | 950,063 | 944,104 | 944,104 | 944,104 | 1,035,818 | 1,144,186 | 1,274,241 |
| Property rates | | | 187,192 | 197,865 | 245,816 | 281,185 | 280,934 | 280,934 | 280,934 | 305,881 | 337,153 | 373,338 |
| Service charges - electricity revenue | | | 328,997 | 400,935 | 494,837 | 565,108 | 561,001 | 561,001 | 561,001 | 615,726 | 679,984 | 759,052 |
| Service charges - water revenue | | | 18,176 | 25,647 | 25,751 | 28,744 | 27,521 | 27,521 | 27,521 | 31,570 | 34,824 | 38,506 |
| Service charges - sanitation revenue | | | 12,657 | 12,644 | 14,827 | 17,214 | 15,805 | 15,805 | 15,805 | 17,364 | 19,169 | 21,218 |
| Service charges - refuse removal | | | 41,861 | 45,782 | 52,745 | 57,813 | 58,843 | 58,843 | 58,843 | 65,277 | 73,057 | 82,127 |
| Service charges - other | | | – | – | – | – | – | – | – | – | – | – |
| Rental of facilities and equipment | | | 1,412 | 26,496 | 16,431 | 19,441 | 16,538 | 16,538 | 16,538 | 18,523 | 20,746 | 23,235 |
| Capital expenditure excluding capital grant funding | | | 268,817 | 172,569 | 104,613 | 220,287 | 208,434 | 208,434 | 208,434 | 261,086 | 219,535 | 349,806 |
| Cash receipts from ratepayers | 18(1)a | | 156,534 | 940,502 | 1,039,707 | 1,227,225 | 1,087,490 | 1,087,490 | 1,087,490 | 1,140,540 | 1,275,432 | 1,421,672 |
| Ratepayer & Other revenue | 18(1)a | | 1,201,862 | 915,999 | 1,024,068 | 1,434,663 | 1,404,146 | 1,404,146 | 1,404,146 | 1,600,850 | 1,846,527 | 1,960,364 |
| Change in consumer debtors (current and non-current) | | | (102,812) | (113,984) | (26,327) | (22,149) | (5,698) | (5,698) | (5,698) | 13,669 | (2,499) | (2,387) |
| Operating and Capital Grant Revenue | 18(1)a | | 397,738 | 320,683 | 375,143 | 320,607 | 409,255 | 409,255 | 409,255 | 355,505 | 401,723 | 473,323 |
| Capital expenditure - total | 20(1)(vi) | | 853,380 | 301,246 | 194,948 | 541,568 | 523,096 | 523,096 | 523,096 | 597,286 | 645,729 | 739,719 |
| Capital expenditure - renewal | 20(1)(vi) | | 253,869 | 67,866 | 43,869 | 252,877 | 234,405 | 234,405 | 234,405 | 328,673 | 302,840 | 313,071 |
| Supporting benchmarks | | | | | | | | | | | | |
| Growth guideline maximum | | | 6.0% | 6.0% | 6.0% | 6.0% | 6.0% | 6.0% | 6.0% | 6.0% | 6.0% | 6.0% |
| CPI guideline | | | 4.3% | 3.9% | 4.6% | 5.0% | 5.0% | 5.0% | 5.0% | 5.4% | 5.6% | 5.4% |
| DoRA operating grants total MFY | | | | | | | | | | 366,860 | 406,723 | 490,328 |
| DoRA capital grants total MFY | | | | | | | | | | 379,281 | 500,617 | 448,787 |
| Provincial operating grants | | | | | | | | | | – | – | – |
| Provincial capital grants | | | | | | | | | | – | – | – |
| District Municipality grants | | | | | | | | | | – | – | – |
| Total gazetted/advised national, provincial and district grants | | | | | | | | | | 746,141 | 907,340 | 939,115 |
| Average annual collection rate (arrears inclusive) | | | | | | | | | | | | |
| DoRA operating | | | | | | | | | | | | |
| Equitable Share | | | | | | | | | | 342,190 | 388,559 | 460,251 |
| Municipal Systems Improvement Grant (MSIG) | | | | | | | | | | 890 | 934 | 967 |
| Financial Management Grant (FMG) | | | | | | | | | | 1,550 | 1,600 | 1,650 |
| Water Service Operating Grant, INEP & Energy | | | | | | | | | | 9,180 | 10,630 | 10,455 |
| | | | | | | | | | | 353,810 | 401,723 | 473,323 |
| DoRA capital | | | | | | | | | | | | |
| Municipal Infrastructure Grant (MIG) | | | | | | | | | | 241,164 | 286,275 | 310,268 |
| Municipal Water Infrastructure Grant (MWIG) | | | | | | | | | | 9,355 | 19,151 | 38,302 |
| Neighbourhood Development Partnership Grant | | | | | | | | | | 5,000 | – | – |
| Public transport Infrastructure | | | | | | | | | | 123,762 | 195,191 | 100,217 |
| | | | | | | | | | | 379,281 | 500,617 | 448,787 |

| Description | MFMA section | Ref | 2009/10 | 2010/11 | 2011/12 | Current Year 2012/13 | | | | 2013/14 Medium Term Revenue & Expenditure Framework | | |
|---|--------------|-----|-----------------|-----------------|-----------------|----------------------|-----------------|--------------------|-------------------|---|------------------------|------------------------|
| | | | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget | Adjusted Budget | Full Year Forecast | Pre-audit outcome | Budget Year 2013/14 | Budget Year +1 2014/15 | Budget Year +2 2015/16 |
| | | | | | | | | | | | | |
| Total Operating Revenue | | | 1,616,253 | 1,249,537 | 1,407,922 | 1,759,289 | 1,816,946 | 1,816,946 | 1,816,946 | 1,964,414 | 2,255,876 | 2,442,228 |
| Total Operating Expenditure | | | 1,300,953 | 1,461,688 | 1,670,366 | 1,703,255 | 1,734,156 | 1,734,156 | 1,734,156 | 1,840,745 | 1,995,373 | 2,169,236 |
| Operating Performance Surplus/(Deficit) | | | 315,300 | (212,152) | (262,445) | 56,035 | 82,790 | 82,790 | 82,790 | 123,669 | 260,503 | 272,992 |
| Cash and Cash Equivalents (30 June 2012) | | | | | | | | | | 206,263 | | |
| Revenue | | | | | | | | | | | | |
| % Increase in Total Operating Revenue | | | | (22.7%) | 12.7% | 25.0% | 3.3% | 0.0% | 0.0% | 8.1% | 14.8% | 8.3% |
| % Increase in Property Rates Revenue | | | | 5.7% | 24.2% | 14.4% | (0.1%) | 0.0% | 0.0% | 8.9% | 10.2% | 10.7% |
| % Increase in Electricity Revenue | | | | 21.9% | 23.4% | 14.2% | (0.7%) | 0.0% | 0.0% | 9.8% | 10.4% | 11.6% |
| % Increase in Property Rates & Services Charges | | | | 16.0% | 22.1% | 13.9% | (0.6%) | 0.0% | 0.0% | 9.7% | 10.5% | 11.4% |
| Expenditure | | | | | | | | | | | | |
| % Increase in Total Operating Expenditure | | | | 12.4% | 14.3% | 2.0% | 1.8% | 0.0% | 0.0% | 6.1% | 8.4% | 8.7% |
| % Increase in Employee Costs | | | | 24.1% | 6.4% | 9.9% | (4.6%) | 0.0% | 0.0% | 13.8% | 11.8% | 8.2% |
| % Increase in Electricity Bulk Purchases | | | | 42.8% | 23.5% | 3.9% | (0.3%) | 0.0% | 0.0% | 11.2% | 9.1% | 9.1% |
| Average Cost Per Budgeted Employee Position (Remuneration) | | | | 118555.358 | 122696.1184 | | | | | 133188.587 | | |
| Average Cost Per Councillor (Remuneration) | | | | 247459.4231 | 257831.8179 | | | | | 282833.0835 | | |
| R&M % of PPE | | | | 2.5% | 2.5% | 2.6% | 2.7% | 2.9% | 2.9% | | 2.3% | 2.4% |
| Asset Renewal and R&M as a % of PPE | | | | 7.0% | 4.0% | 3.0% | 7.0% | 7.0% | 7.0% | | 8.0% | 7.0% |
| Debt Impairment % of Total Billable Revenue | | | | 8.7% | 1.3% | 6.5% | 7.8% | 7.4% | 7.4% | | 6.9% | 5.9% |
| Capital Revenue | | | | | | | | | | | | |
| Internally Funded & Other (R'000) | | | | 137,877 | 102,429 | 71,483 | 82,957 | 148,463 | 148,463 | 148,463 | 173,545 | 209,098 |
| Borrowing (R'000) | | | | 130,940 | 70,140 | 33,130 | 137,330 | 59,971 | 59,971 | 59,971 | 87,541 | 10,437 |
| Grant Funding and Other (R'000) | | | | 584,563 | 128,676 | 90,336 | 321,281 | 314,662 | 314,662 | 314,662 | 336,199 | 426,194 |
| Internally Generated funds % of Non Grant Funding | | | | 51.3% | 59.4% | 68.3% | 37.7% | 71.2% | 71.2% | 71.2% | 66.5% | 95.2% |
| Borrowing % of Non Grant Funding | | | | 48.7% | 40.6% | 31.7% | 62.3% | 28.8% | 28.8% | 28.8% | 33.5% | 4.8% |
| Grant Funding % of Total Funding | | | | 68.5% | 42.7% | 46.3% | 59.3% | 60.2% | 60.2% | 60.2% | 56.3% | 66.0% |
| Capital Expenditure | | | | | | | | | | | | |
| Total Capital Programme (R'000) | | | | 853,380 | 299,529 | 204,321 | 541,568 | 523,096 | 523,096 | 523,096 | 597,286 | 645,729 |
| Asset Renewal | | | | 253,869 | 67,866 | 43,869 | 252,877 | 234,405 | 234,405 | 234,405 | 328,673 | 302,840 |
| Asset Renewal % of Total Capital Expenditure | | | | 29.7% | 22.5% | 22.5% | 46.7% | 44.8% | 44.8% | 44.8% | 55.0% | 46.9% |
| Cash | | | | | | | | | | | | |
| Cash Receipts % of Rate Payer & Other | | | | 13.0% | 102.7% | 101.5% | 85.5% | 77.4% | 77.4% | 77.4% | 71.2% | 69.1% |
| Cash Coverage Ratio | | | | (0) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Borrowing | | | | | | | | | | | | |
| Credit Rating (2009/10) | | | | | | | | | | | A2 za | |
| Capital Charges to Operating | | | | 2.1% | 2.5% | 2.7% | 3.5% | 6.0% | 6.0% | 6.0% | 3.6% | 3.3% |
| Borrowing Receipts % of Capital Expenditure | | | | 0.1% | 79.5% | 27.4% | 45.4% | 32.6% | 32.6% | 32.6% | 34.5% | 0.0% |
| Reserves | | | | | | | | | | | | |
| Surplus/(Deficit) | | | | (479,449) | (250,657) | (357,455) | 41,709 | 52,581 | 52,581 | 52,581 | 113,155 | 202,442 |
| Free Services | | | | | | | | | | | | |
| Free Basic Services as a % of Equitable Share | | | | 14.0% | 11.2% | 10.0% | 16.3% | 16.3% | 16.3% | | 34.7% | 32.7% |
| Free Services as a % of Operating Revenue (excl operational transfers) | | | | 9.9% | 13.0% | 11.7% | 10.6% | 10.9% | 10.9% | | 21.6% | 19.3% |
| High Level Outcome of Funding Compliance | | | | | | | | | | | | |
| Total Operating Revenue | | | | 1,616,253 | 1,249,537 | 1,407,922 | 1,759,289 | 1,816,946 | 1,816,946 | 1,816,946 | 1,964,414 | 2,255,876 |
| Total Operating Expenditure | | | | 1,300,953 | 1,461,688 | 1,670,366 | 1,703,255 | 1,734,156 | 1,734,156 | 1,734,156 | 1,840,745 | 1,995,373 |
| Surplus/(Deficit) Budgeted Operating Statement | | | | 315,300 | (212,152) | (262,445) | 56,035 | 82,790 | 82,790 | 82,790 | 123,669 | 260,503 |
| Surplus/(Deficit) Considering Reserves and Cash Backing | | | | (164,149) | (462,808) | (619,900) | 97,744 | 135,371 | 135,371 | 135,370 | 236,824 | 462,944 |
| MTREF Funded (1) / Unfunded (0) | 15 | 0 | 0 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| MTREF Funded ✓ / Unfunded ✗ | 15 | ✗ | ✗ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |

2.6.2 Funding compliance measurement

National Treasury requires that the municipality assess its financial sustainability against fourteen different measures that look at various aspects of the financial health of the municipality. These measures are contained in the following table. All the information comes directly from the annual budgeted statements of financial performance, financial position and cash flows. The funding compliance measurement table essentially measures the degree to which the proposed budget complies with the funding requirements of the MFMA. Each of the measures is discussed below.

2.6.3 Funding Compliance measures

The cash and cash equivalents as reflected in the funding compliance table below indicated that the municipality has positive cash balance at the end of the financial year which is an indication of the minimum requirement as required by MFMA. The forecasted cash and cash equivalents for the

medium-term is R 206 million, R 293 million and R 415 million for 2013/2014, 2014/2015 and 2015/2016 respectively.

2.6.4 Cash and cash equivalent position

The City's forecast cash position was discussed as part of the budgeted cash flow statement. A 'positive' cash position, for each year of the MTREF would generally be a minimum requirement, subject to the planned application of these funds such as cash-backing of reserves and working capital requirements.

If the municipality's forecast cash position is negative, for any year of the medium term budget, the budget is very unlikely to meet MFMA requirements or be sustainable and could indicate a risk of non-compliance with section 45 of the MFMA which deals with the repayment of short term debt at the end of the financial year. The forecasted cash and cash equivalents for the 2012/13 MTREF shows positive balances of R206 million, R293 million and R415 million for each respective financial year.

2.6.5 Cash plus investments less application of funds

The purpose of this measure is to understand how the municipality has applied the available cash and investments as identified in the budgeted cash flow statement. The detail reconciliation of the cash backed reserves/surpluses is contained in Table A8. The reconciliation is intended to be a relatively simple methodology for understanding the budgeted amount of cash and investments available with any planned or required applications to be made. This has been extensively discussed above.

2.6.6 Monthly average payments covered by cash or cash equivalents

The purpose of this measure is to understand the level of financial risk should the municipality be under stress from a collection and cash in-flow perspective. Regardless of the annual cash position an evaluation should be made of the ability of the Municipality to meet monthly payments as and when they fall due. It is especially important to consider the position should the municipality be faced with an unexpected disaster that threatens revenue collection such as rate boycotts municipalities improving cash position causes the ratio to move upwards one month's cash coverage in the medium term, and then gradually move towards two months coverage. This measure will have to be carefully monitored going forward.

2.6.7 Surplus/deficit excluding depreciation offsets

The main purpose of this measure is to understand if the revenue levels are sufficient to conclude that the community is making a sufficient contribution for the municipal resources consumed each year. An 'adjusted' surplus/deficit is achieved by offsetting the amount of depreciation related to externally funded assets. Municipalities need to assess the result of this calculation taking into consideration its own circumstances and levels of backlogs. If the outcome is a deficit, it may indicate that rates and service charges are insufficient to ensure that the community is making a sufficient contribution toward the economic benefits they are consuming over the medium term. For the 2013/14 MTREF the indicative outcome is a surplus of R123 million, and R266 million and R272 million over medium-term.

It needs to be noted that a surplus does not necessarily mean that the budget is funded from a cash flow perspective and the first two measures in the table are therefore critical.

2.6.8 Property Rates/service charge revenue as a percentage increase less macro inflation target

The purpose of this measure is to understand whether the municipality is contributing appropriately to the achievement of national inflation targets. This measure is based on the increase in 'revenue', which will include both the change in the tariff as well as any assumption about real growth such as new property development, services consumption growth etc.

2.6.9 Cash receipts as a percentage of ratepayer and other revenue

This factor is a macro measure of the rate at which funds are 'collected'. This measure is intended to analyse the underlying assumed collection rate for the MTREF to determine the relevance and credibility of the budget assumptions contained in the budget. It can be seen that the outcome is at 71%, 69% and 73% for each of the respective financial years. Given that the assumed collection rate is based on a 93% performance target, the cash flow statement has been conservatively determined.

2.6.10 Debt impairment expense as a percentage of billable revenue

This factor measures whether the provision for debt impairment is being adequately funded and is based on the underlying assumption that the provision for debt impairment (doubtful and bad debts) has to be increased to offset under-collection of billed revenues. The provision has been appropriated at 7%, 6% and 6% over the MTREF. Considering the debt incentive scheme and the municipality's revenue management strategy's objective to collect outstanding debtors of 90 days, the provision is well within the accepted leading practice.

2.6.11 Capital payments percentage of capital expenditure

The purpose of this measure is to determine whether the timing of payments has been taken into consideration when forecasting the cash position. The municipality aims to keep this as low as possible through strict compliance with the legislative requirement that debtors be paid within 30 days.

2.6.12 Borrowing as a percentage of capital expenditure (excluding transfers, grants and contributions)

The purpose of this measurement is to determine the proportion of a municipality's 'own-funded' capital expenditure budget that is being funded from borrowed funds to confirm MFMA compliance. Externally funded expenditure (by transfers/grants and contributions) has been excluded. It can be seen that borrowing equates to 35% in 2013/2014, 0.0% in 2014/2015 and 23% in 2015/2016 of own funded capital. .

2.6.13 Transfers/grants revenue as a percentage of Government transfers/grants available

The purpose of this measurement is mainly to ensure that all available transfers from national and provincial government have been budgeted for. A percentage less than 100 per cent could indicate that not all grants as contained in the Division of Revenue Act (DoRA) have been budgeted for. The Municipality has budgeted for all transfers.capital grant revenue is reflected under other revenue in the performance statement and the formula picks from below the low.

2.6.14 Consumer debtors change (Current and Non-current)

The purpose of these measures is to ascertain whether budgeted reductions in outstanding debtors are realistic. There are 2 measures shown for this factor; the change in current debtors and the change in long term receivables, both from the Budgeted Financial Position. Both measures show a relatively stable trend in line with the Municipality policy of settling debtors' accounts within 30 days.

2.6.15 Repairs and maintenance expenditure level

This measure must be considered important within the context of the funding measures criteria because of a trend that indicates insufficient funds are being committed to asset repair could also indicate that the overall budget is not credible and/or sustainable in the medium to long term because the revenue budget is not being protected.

2.6.16 Asset renewal/rehabilitation expenditure level

This measure has a similar objective to aforementioned objective relating to repairs and maintenance. A requirement of the detailed capital budget (since MFMA Circular 28 which was issued in December 2005) is to categorise each capital project as a new asset or a renewal/rehabilitation project. The objective is to summarise and understand the proportion of budgets being provided for new assets and also asset sustainability. A declining or low level of renewal funding may indicate that a budget is not credible and/or sustainable and future revenue is not being protected, similar to the justification for 'repairs and maintenance' budgets.

BUDGET SUPPORTING TABLE FOR 2013/2014 – 2015/2016 MTREF

MP322 Mbombela - Supporting Table SA1 Supporting detail to 'Budgeted Financial Performance'

| Description | Ref | 2009/10 | 2010/11 | 2011/12 | Current Year 2012/13 | | | | 2013/14 Medium Term Revenue & Expenditure Framework | | |
|---|-----|-----------------|-----------------|-----------------|----------------------|-----------------|--------------------|-------------------|---|------------------------|------------------------|
| | | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget | Adjusted Budget | Full Year Forecast | Pre-audit outcome | Budget Year 2013/14 | Budget Year +1 2014/15 | Budget Year +2 2015/16 |
| R thousand | | | | | | | | | | | |
| REVENUE ITEMS: | | | | | | | | | | | |
| Property rates | 6 | | | | | | | | | | |
| Total Property Rates | | 187,192 | 197,865 | 245,816 | 389,875 | 389,624 | 389,624 | 389,624 | 439,314 | 479,659 | 524,679 |
| less Revenue Foregone | | | | | 108,690 | 108,690 | 108,690 | 108,690 | 133,433 | 142,506 | 151,342 |
| Net Property Rates | | 187,192 | 197,865 | 245,816 | 281,185 | 280,934 | 280,934 | 280,934 | 305,881 | 337,153 | 373,338 |
| Service charges - electricity revenue | 6 | | | | | | | | | | |
| Total Service charges - electricity revenue | | 328,997 | 400,935 | 494,837 | 565,108 | 561,001 | 561,001 | 561,001 | 615,726 | 679,984 | 759,052 |
| less Revenue Foregone | | | | | | | | | | | |
| Net Service charges - electricity revenue | | 328,997 | 400,935 | 494,837 | 565,108 | 561,001 | 561,001 | 561,001 | 615,726 | 679,984 | 759,052 |
| Service charges - water revenue | 6 | | | | | | | | | | |
| Total Service charges - water revenue | | 18,176 | 25,647 | 25,751 | 28,744 | 27,521 | 27,521 | 27,521 | 31,570 | 34,824 | 38,506 |
| less Revenue Foregone | | | | | | | | | | | |
| Net Service charges - water revenue | | 18,176 | 25,647 | 25,751 | 28,744 | 27,521 | 27,521 | 27,521 | 31,570 | 34,824 | 38,506 |
| Service charges - sanitation revenue | | | | | | | | | | | |
| Total Service charges - sanitation revenue | | 12,657 | 12,644 | 14,827 | 17,214 | 15,805 | 15,805 | 15,805 | 17,364 | 19,169 | 21,218 |
| less Revenue Foregone | | | | | | | | | | | |
| Net Service charges - sanitation revenue | | 12,657 | 12,644 | 14,827 | 17,214 | 15,805 | 15,805 | 15,805 | 17,364 | 19,169 | 21,218 |
| Service charges - refuse revenue | 6 | | | | | | | | | | |
| Total refuse removal revenue | | 41,861 | 45,782 | 52,745 | 57,813 | 58,843 | 58,843 | 58,843 | 65,277 | 73,057 | 82,127 |
| Total landfill revenue | | | | | | | | | | | |
| less Revenue Foregone | | | | | | | | | | | |
| Net Service charges - refuse revenue | | 41,861 | 45,782 | 52,745 | 57,813 | 58,843 | 58,843 | 58,843 | 65,277 | 73,057 | 82,127 |
| Other Revenue by source | | | | | | | | | | | |
| Other Revenue | | 36,326 | 42,223 | 39,178 | 45,599 | | | | 20,847 | 24,749 | 27,719 |
| capital conditional grant allocation | | 528,045 | 122,033 | 89,511 | 248,523 | 330,536 | 330,536 | 330,536 | 390,636 | 505,617 | 465,792 |
| MIG operating grant | | — | | | 8,248 | | | | | | |
| Vat Income from conditional grants | | — | | | 47,523 | | | | | | |
| Total 'Other' Revenue | 3 | 564,371 | 164,256 | 128,689 | 349,893 | 330,536 | 330,536 | 330,536 | 411,483 | 530,366 | 493,511 |
| EXPENDITURE ITEMS: | | | | | | | | | | | |
| Employee related costs | | | | | | | | | | | |
| Basic Salaries and Wages | 2 | 297,223 | 368,952 | 392,418 | 349,462 | 329,202 | 329,202 | 329,202 | 468,291 | 523,730 | 566,630 |
| Pension and UIF Contributions | | | | | 81,937 | 82,461 | 82,461 | 82,461 | | | |
| Medical Aid Contributions | | | | | | | | | | | |
| Overtime | | | | | | | | | | | |
| Performance Bonus | | | | | | | | | | | |
| Motor Vehicle Allowance | | | | | | | | | | | |
| Cellphone Allowance | | | | | | | | | | | |
| Housing Allowances | | | | | | | | | | | |
| Other benefits and allowances | | | | | | | | | | | |
| Payments in lieu of leave | | | | | | | | | | | |
| Long service awards | | | | | | | | | | | |
| Post-retirement benefit obligations | | | | | | | | | | | |
| <i>sub-total</i> | | | | | | | | | | | |
| Less: Employees costs capitalised to PPE | 4 | 297,223 | 368,952 | 392,418 | 431,400 | 411,663 | 411,663 | 411,663 | 468,291 | 523,730 | 566,630 |
| Total Employee related costs | 5 | 297,223 | 368,952 | 392,418 | 431,400 | 411,663 | 411,663 | 411,663 | 468,291 | 523,730 | 566,630 |
| Contributions recognised - capital | 1 | 297,223 | 368,952 | 392,418 | 431,400 | 411,663 | 411,663 | 411,663 | 468,291 | 523,730 | 566,630 |
| <i>List contributions by contract</i> | | | | | | | | | | | |

| | | | | | | | | | | | |
|--|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
| Total Contributions recognised - capital | - | - | - | - | - | - | - | - | - | - | - |
| Depreciation & asset impairment | | | | | | | | | | | |
| Depreciation of Property, Plant & Equipment | 196,892 | 283,437 | 292,083 | 288,339 | 283,839 | 283,839 | 283,839 | 291,149 | 323,798 | 365,641 | |
| Lease amortisation | | | | | | | | | | | |
| Capital asset impairment | | | | | | | | | | | |
| Depreciation resulting from revaluation of PPE | | | | | | | | | | | |
| Total Depreciation & asset impairment | 196,892 | 283,437 | 292,083 | 288,339 | 283,839 | 283,839 | 283,839 | 291,149 | 323,798 | 365,641 | |
| Bulk purchases | | | | | | | | | | | |
| Electricity Bulk Purchases | 205,774 | 293,804 | 362,949 | 377,176 | 376,024 | 376,024 | 376,024 | 418,014 | 456,111 | 497,681 | |
| Water Bulk Purchases | 5,738 | 6,524 | 9,381 | 3,552 | 6,574 | 6,574 | 6,574 | | | | |
| Total bulk purchases | 211,512 | 300,328 | 372,330 | 380,728 | 382,598 | 382,598 | 382,598 | 418,014 | 456,111 | 497,681 | |
| Transfers and grants | | | | | | | | | | | |
| Cash transfers and grants | - | - | - | - | - | - | - | - | - | - | - |
| Non-cash transfers and grants | - | - | - | - | 20,150 | 20,150 | 20,150 | 45,005 | 47,972 | 51,061 | |
| Total transfers and grants | - | - | - | - | 20,150 | 20,150 | 20,150 | 45,005 | 47,972 | 51,061 | |
| Contracted services | | | | | | | | | | | |
| <i>List services provided by contract</i> | 174,467 | 173,854 | 164,816 | 51,996 | 192,564 | 192,564 | 192,564 | 82,554 | 88,478 | 94,551 | |
| <i>sub-total</i> | 174,467 | 173,854 | 164,816 | 51,996 | 192,564 | 192,564 | 192,564 | 82,554 | 88,478 | 94,551 | |
| Allocations to organs of state: | | | | | | | | | | | |
| Electricity | | | | | | | | | | | |
| Water | | | | | | | | | | | |
| Sanitation | | | | | | | | | | | |
| Other | | | 271 | 271 | | | | | | | |
| Total contracted services | 174,467 | 174,125 | 165,087 | 51,996 | 192,564 | 192,564 | 192,564 | 82,554 | 88,478 | 94,551 | |
| Other Expenditure By Type | | | | | | | | | | | |
| Collection costs | 530 | 1,525 | 3,920 | - | 4,442 | 4,442 | 4,442 | | | | |
| Contributions to 'other' provisions | - | | | - | | | | | | | |
| Consultant fees | - | | | - | | | | | | | |
| Audit fees | | 4,132 | 4,332 | 4,815 | 4,815 | 4,815 | 4,815 | | | | |
| General expenses | 213,511 | 147,251 | 190,073 | 356,285 | 262,056 | 262,056 | 262,056 | 251,934 | 265,717 | 279,617 | |
| <i>Total Repairs & Maintenance</i> | 121,329 | 120,124 | 128,496 | 11,744 | 12,442 | 12,442 | 12,442 | 97,812 | 104,831 | 112,026 | |
| Special Operational projects Projects | | | | | | | | | | | |
| Maintenance: Contractors | | | | | | | | | | | |
| Other repairs and maintenance | | | | | | | | | | | |
| Security Services | | | | | | | | | | | |
| Solid Waste Services | | | | | | | | | | | |
| Total 'Other' Expenditure | 1 | 335,370 | 273,032 | 326,821 | 372,843 | 283,754 | 283,754 | 283,754 | 349,746 | 370,548 | 391,644 |
| Repairs and Maintenance | 8 | | | | | | | | | | |
| Employee related costs | | | | | | | | | | | |
| Other materials | | 10,715 | | | | | | | | | |
| Contracted Services | | | | | | | | | | | |
| Other Expenditure | | 120,376 | | | 153,645 | | | | | | |
| <i>Total Repairs and Maintenance Expenditure</i> | 9 | 131,091 | - | - | 153,645 | - | - | - | - | - | - |

| UP322 Mbombela - Supporting Table S02 Matrix Financial Performance Budget (revenue source/expenditure type and dept.) | | | | | | | | | | | | | |
|---|-------|---------|-------------------|--------------------------|-----------------------------|-------------------------|--------------------------------|--------------------|----------------------|--------------------|--------------------|---|-----------|
| Description | Ref | COUNCIL | OFFICE OF COUNCIL | OFFICE OF THE CHIEF WHIP | PLANNING, PERFORMANCE & CSE | OFFICE OF THE MUNICIPAL | OFFICE OF THE DEPUTY MUNICIPAL | FINANCIAL SERVICES | TRANSVERSAL SERVICES | CORPORATE SERVICES | COMMUNITY SERVICES | MUNICIPAL PLANNING & TECHNICAL SERVICES | Total |
| R thousand | I | | | | | | | | | | | | |
| Revenue By Source | | | | | | | | | | | | | |
| Property rates | - | - | - | - | - | - | - | - | - | - | 305 881 | - | 36891 |
| Service charges - electricity revenue | - | - | - | - | - | - | - | - | - | - | 615 726 | - | 65726 |
| Service charges - water revenue | - | - | - | - | - | - | - | - | - | - | 31 570 | - | 31 570 |
| Service charges - solid waste revenue | - | - | - | - | - | - | - | - | - | - | 17 364 | - | 17 364 |
| Service charges - refuse revenue | - | - | - | - | - | - | - | - | - | - | 65 277 | - | 65 277 |
| Rental of facilities and equipment | - | - | - | - | - | - | - | - | 4053 | - | 2 504 | 11 967 | 16 523 |
| Mixed earned - external investments | - | - | - | - | - | - | - | - | - | 5559 | - | - | 5559 |
| Mixed earned - outstanding debts | - | - | - | - | - | - | - | - | - | 24747 | - | - | 21 767 |
| Fines | - | - | - | - | - | - | - | - | - | - | - | 3 582 | 3 582 |
| Licences and permits | - | - | - | - | - | - | - | - | - | - | - | 44 | 44 |
| Agency services | - | - | - | - | - | - | - | - | - | - | - | 106 653 | 106 653 |
| Other revenue | - | 6 | - | - | - | - | - | - | 1 149 | 3 982 | 82 477 | 267 891 | 355 955 |
| Transfers recognized - operational | - | - | - | - | - | - | - | - | - | 411 483 | - | - | 411 483 |
| Gains on disposal of PPE | - | - | - | - | - | - | - | - | 249 | 2 251 | - | - | 2 500 |
| Total Revenue (excluding capital transfers and contributions) | - | 6 | - | - | - | - | - | - | 5 491 | 753 932 | 814 917 | 350 137 | 1 951 414 |
| Expenditure By Type | | | | | | | | | | | | | |
| Employee related costs | 2 938 | 4 201 | 260 | 5 360 | 3 693 | 3 357 | 12 802 | 2 032 | 25 547 | 47 062 | 145 364 | 215 677 | 458291 |
| Ramunicipal expenses | - | 21 533 | 528 | - | - | - | - | - | - | - | - | - | 22 061 |
| Other impairment | - | - | - | - | - | - | - | - | - | 19 229 | 13 848 | 39 430 | 72 507 |
| Disposition & asset impaired | 125 | - | - | 3 | 28 | 437 | 1 | 3 | 924 | 73 | 250 932 | 38 622 | 281 149 |
| Finance charge | - | - | - | 207 | - | - | - | - | - | 12 337 | 9 403 | 26 392 | 48 330 |
| Stock purchases | - | - | - | - | - | - | - | - | - | - | 418 014 | - | 418 014 |
| Other materials | 68 | 132 | 0 | 16 | 3 | 6 | 22 | 13 | 148 | 87 | 22 710 | 19 875 | 43 585 |
| Contracted services | 97 | 71 | - | 15 | - | 30 | 6 | - | 12 082 | 5 466 | 5 596 | 59 191 | 82 554 |
| Transfers and grants | - | - | - | - | - | - | - | - | - | - | - | 22 313 | 22 313 |
| Other expenditure | 2 222 | 8 636 | 127 | 784 | 3 212 | 189 | 3 916 | 2 372 | 26 767 | 33 936 | 87 033 | 203 193 | 32437 |
| Loss on disposal of PPE | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Total Expenditure | 5 491 | 3 573 | 915 | 6384 | 6325 | 4 018 | 16 747 | 4 428 | 65 469 | 116239 | 922 300 | 63 634 | 1 887 745 |
| Surplus/(Deficit) | 5 491 | (3 573) | 915 | (6384) | (6325) | (4 018) | (16 747) | (4 428) | (65 469) | (116239) | (922 300) | (63 634) | (129 693) |
| Surplus/(Deficit) after capital transfers & | 5 491 | (3 573) | 915 | (6384) | (6325) | (4 018) | (16 747) | (4 428) | (65 469) | (116239) | (922 300) | (63 634) | (129 693) |

| MP322 Mbombela - Supporting Table S43 Supporting detail to 'Budgeted Financial Position' | | | | | | | | 2013/14 Medium Term Revenue & Expenditure Framework | | | |
|--|-----|------------------|------------------|------------------|----------------------|------------------|--------------------|---|---------------------|------------------------|------------------------|
| Description | Ref | 2009/10 | 2010/11 | 2011/12 | Current Year 2012/13 | | | | Budget Year 2013/14 | Budget Year +1 2014/15 | Budget Year +2 2015/16 |
| | | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget | Adjusted Budget | Full Year Forecast | Pre-audit outcome | | | |
| R thousand | | | | | | | | | | | |
| ASSETS | | | | | | | | | | | |
| Consumer debtors | | | | | | | | | | | |
| Consumer debtors | | 325 277 523 | 350 441 | 394 906 | 302 680 | 496 610 | 496 610 | 496 610 | 432 509 | 445 566 | 454 266 |
| Less: Provision for debt impairment | | (277 896) | (286 276) | (315 285) | (329 272) | (426 751) | (426 751) | (426 751) | (364 746) | (381 524) | (393 930) |
| Total Consumer debtors | 2 | 47 382 | 72 186 | 79 701 | 63 406 | 69 359 | 69 359 | 69 359 | 67 763 | 64 042 | 60 336 |
| Debt impairment provision | | | | | | | | | | | |
| Balance at the beginning of the year | | 258 024 | 266 276 | 315 285 | 321 701 | 386 018 | 386 018 | 386 018 | 361 808 | 361 808 | 361 808 |
| Contributions to the provision | | 51 063 | - | - | 75 455 | 70 733 | 70 733 | 70 733 | 72 308 | 68 274 | 75 825 |
| Bad debts written off | | (31 191) | - | - | (67 884) | (30 000) | (30 000) | (30 000) | (69 369) | (48 558) | (43 702) |
| Balance at end of year | | 277 886 | 266 276 | 316 286 | 329 272 | 426 761 | 426 761 | 426 761 | 384 746 | 381 624 | 383 930 |
| Property, plant and equipment (PPE) | | | | | | | | | | | |
| PPE at cost/valuation (excl. finance leases) | | 5 973 260 | 5 200 203 | 5 115 111 | 7 290 935 | 6 904 362 | 6 904 362 | 6 904 362 | 7 256 547 | 7 845 938 | 8 450 369 |
| Less: Accumulated depreciation | | 795 158 | | | 1 649 791 | 1 645 291 | 1 645 291 | 1 645 291 | 1 935 913 | 2 258 566 | 2 622 266 |
| Total Property, plant and equipment (PPE) | 2 | 6 178 103 | 6 200 203 | 6 116 111 | 6 641 144 | 6 259 071 | 6 259 071 | 6 259 071 | 6 320 634 | 6 667 372 | 6 828 103 |
| LIABILITIES | | | | | | | | | | | |
| Current liabilities - Borrowing | | | | | | | | | | | |
| Short term loans (other than bank overdraft) | | - | | | - | 60 000 | 60 000 | 60 000 | | | |
| Current portion of long-term liabilities | | 21 860 836 | 13 261 | 15 385 | 12 278 | 12 278 | 12 278 | 12 278 | 12 865 | 13 509 | 14 184 |
| Total Current liabilities - Borrowing | | 21 861 | 13 261 | 16 386 | 12 278 | 72 278 | 72 278 | 72 278 | 12 866 | 13 609 | 14 184 |
| Trade and other payables | | | | | | | | | | | |
| Trade and other creditors | | 327 572 806 | 280 833 | 340 948 | 135 000 | 130 939 | 130 939 | 130 939 | 144 033 | 151 234 | 158 796 |
| Unspent conditional transfers | | 137 631 553 | 128 929 | 158 783 | 33 000 | 33 000 | 33 000 | 33 000 | 48 019 | 35 000 | 25 000 |
| Total Trade and other payables | 2 | 465 204 | 409 763 | 499 730 | 168 000 | 163 939 | 163 939 | 163 939 | 192 052 | 186 234 | 183 796 |
| Non current liabilities - Borrowing | | | | | | | | | | | |
| Borrowing | 4 | 35 189 176 | 175 572 | 202 892 | 323 345 | 200 295 | 200 295 | 200 295 | 197 759 | 184 250 | 170 066 |
| Finance leases (excluding PPP asset element) | | 231 670 | 73 | - | - | | | | | | |
| Total Non current liabilities - Borrowing | | 36 421 | 176 646 | 202 892 | 323 346 | 200 295 | 200 295 | 200 295 | 197 759 | 184 260 | 170 066 |
| Provisions - non-current | | | | | | | | | | | |
| Retirement benefits | | 91 848 | 125 107 | 148 743 | 125 107 | 125 107 | 125 107 | 125 107 | 161 231 | 169 292 | 177 757 |
| List of other major provisions/items: | | | | | | | | | | | |
| Refuse landfill site rehabilitation | | 13 376 | 15 022 | 28 046 | 10 859 | 10 859 | 10 859 | 10 859 | 29 067 | 30 520 | 32 046 |
| Other | | 8 067 209 | 14 041 | 13 743 | - | - | - | - | | | |
| Total Provisions - non-current | | 113 291 | 164 170 | 190 632 | 136 966 | 136 966 | 136 966 | 136 966 | 190 298 | 199 813 | 209 803 |
| CHANGES IN NET ASSETS | | | | | | | | | | | |
| Accumulated Surplus/(Deficit) | | | | | | | | | | | |
| Accumulated Surplus/(Deficit) - opening balance | | 5 850 345 | 5 113 325 | 4 901 174 | 5 296 972 | 4 998 144 | 4 998 144 | 4 998 144 | 5 336 320 | 5 427 296 | 5 709 982 |
| GRAP adjustments | | (3 927) | | | | | | | | | |
| Rebased balance | | 5 946 418 | 5 113 325 | 4 901 174 | 5 286 972 | 4 998 144 | 4 998 144 | 4 998 144 | 5 336 320 | 5 427 296 | 5 709 982 |
| Surplus/(Deficit) | | 315 300 | (212 152) | (262 445) | 56 035 | 82 750 | 82 750 | 82 750 | 123 660 | 260 503 | 272 902 |
| Other adjustments | | (1 014 074) | | | 282 141 | 255 386 | 255 386 | 255 386 | (52 010) | 81 499 | 153 605 |
| Accumulated Surplus/(Deficit) | 1 | 6 147 644 | 4 901 174 | 4 638 729 | 6 636 143 | 6 336 321 | 6 336 321 | 6 336 320 | 6 407 979 | 6 769 297 | 6 136 679 |
| TOTAL COMMUNITY WEALTH/EQUITY | 2 | 6 147 644 | 4 901 174 | 4 638 729 | 6 636 143 | 6 336 321 | 6 336 321 | 6 336 320 | 6 407 979 | 6 769 297 | 6 136 679 |

| MP322 Mbombela - Supporting Table SA4 Reconciliation of IDP strategic objectives and budget (revenue) | | | | | | | | | | | | | |
|--|--|-----------|-----|-----------------|-----------------|-----------------|----------------------|-----------------|--------------------|---|------------------------|------------------------|-----------|
| Strategic Objective R thousand | Goal | Goal Code | Ref | 2009/10 | 2010/11 | 2011/12 | Current Year 2012/13 | | | 2013/14 Medium Term Revenue & Expenditure Framework | | | |
| | | | | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget | Adjusted Budget | Full Year Forecast | Budget Year 2013/14 | Budget Year +1 2014/15 | Budget Year +2 2015/16 | |
| To initiate a strong and sustainable Local/Regional Economic Development Potential and sustainable Environmental Management | Economic Development | | | 2515 | 8 521 | 40 198 | 8 468 | 19 999 | 19 999 | 49 493 | 107 785 | 145 055 | |
| To strengthen the Delivery of Basic Services and ensure sustained Intergrated Human Settlement supported by Infrastructure Development | Infrastructure & sustainable services | | | 867 939 | 626 506 | 658 183 | 1 003 687 | 1 015 218 | 1 015 218 | 1 044 711 | 1 103 004 | 1 140 274 | |
| To formulate a Broad Over-arching Human Capital and Community Development | Human capital & community development | | | 457 027 | 116 710 | 148 387 | 43 489 | 55 020 | 55 020 | 84 514 | 142 806 | 180 076 | |
| To build strong sustainable governance and institutional structures and arrangements | Institutional development & transformation | | | 51 732 | 8 288 | 39 965 | 4 143 | 15 674 | 15 674 | 45 168 | 103 460 | 140 731 | |
| To ensure legally sound Financial viability and Management | Financial management & viability | | | 237 039 | 489 512 | 521 189 | 699 503 | 711 035 | 711 035 | 740 528 | 798 821 | 836 091 | |
| Allocations to other priorities | | | | 2 | | | | | | | | | |
| Total Revenue (excluding capital transfers and contributions) | | | | 1 | 1 816 263 | 1 249 537 | 1 467 922 | 1 789 209 | 1 816 946 | 1 816 946 | 1 964 414 | 2 255 876 | 2 442 228 |

| MP322 Mbombela - Supporting Table S45 Reconciliation of IDP strategic objectives and budget (operating expenditure) | | | | | | | | | | | |
|---|--|-----|------------------|------------------|------------------|----------------------|------------------|--------------------|---|------------------------|------------------------|
| Strategic Objective | Goal | Ref | 2009/10 | 2010/11 | 2011/12 | Current Year 2012/13 | | | 2013/14 Medium Term Revenue & Expenditure Framework | | |
| | | | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget | Adjusted Budget | Full Year Forecast | Budget Year 2013/14 | Budget Year +1 2014/15 | Budget Year +2 2015/16 |
| R thousand | | | | | | | | | | | |
| To initiate a strong and sustainable Local/Regional Economic Development Potential and sustainable Environmental Management | Economic Development | | 41 315 | 60 957 | 102 693 | 18 009 | 24 189 | 24 189 | 45 507 | 76 433 | 111 205 |
| To strengthen the Delivery of Basic Services and ensure sustained Integrated Human Settlement supported by Infrastructure Development | Infrastructure & sustainable services | | 568 950 | 849 521 | 891 257 | 1 018 700 | 1 024 880 | 1 024 880 | 1 046 198 | 1 077 124 | 1 111 897 |
| To formulate a Broad Over-arching Human Capital and Community Development | Human capital & community development | | 253 193 | 276 346 | 318 082 | 345 131 | 351 311 | 351 311 | 372 629 | 403 554 | 438 327 |
| To build strong sustainable governance and institutional structures and arrangements | Institutional development & transformation | | 293 580 | 30 312 | 72 047 | 78 650 | 84 831 | 84 831 | 106 148 | 137 074 | 171 847 |
| To ensure legally sound Financial viability and Management | Financial management & viability | | 143 915 | 244 552 | 286 287 | 242 764 | 248 944 | 248 944 | 270 262 | 301 188 | 335 960 |
| Allocations to other priorities | | | | | | | | | | | |
| Total Expenditure | | 1 | 1 300 953 | 1 461 683 | 1 670 366 | 1 703 255 | 1 734 156 | 1 734 156 | 1 840 745 | 1 985 373 | 2 169 236 |

| MP322 Mbombela - Supporting Table S46 Reconciliation of IDP strategic objectives and budget (capital expenditure) | | | | | | | | | | | | |
|---|--|-----------|-----|-----------------|-----------------|-----------------|----------------------|-----------------|--------------------|---|------------------------|------------------------|
| Strategic Objective | Goal | Goal Code | Ref | 2009/10 | 2010/11 | 2011/12 | Current Year 2012/13 | | | 2013/14 Medium Term Revenue & Expenditure Framework | | |
| | | | | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget | Adjusted Budget | Full Year Forecast | Budget Year 2013/14 | Budget Year #1 2014/15 | Budget Year #2 2015/16 |
| R thousand | | | | | | | | | | | | |
| To initiate a strong and sustainable Local/Regional Economic Development | Economic Development | A | | 19 884 | 16 316 | 16 316 | 15 300 | 15 300 | 15 300 | 21 845 | 22 609 | 36 861 |
| Potential and sustainable Environmental Management | | | | | | | | | | | | |
| To strengthen the Delivery of Basic Services and ensure sustained Integrated Human Settlement supported by Infrastructure Development | Infrastructure & sustainable services | C | | 788 083 | 248 093 | 141 795 | 445 001 | 426 529 | 426 529 | 494 713 | 531 787 | 609 888 |
| To provide sustainable social amenities to communities | community development | E | | 43 286 | 22 092 | 22 092 | 53 007 | 53 007 | 53 007 | 37 658 | 46 323 | 54 870 |
| To build strong sustainable governance and institutional structures and arrangements | Good Governance & public participation | F | | 1 786 | 13 500 | 13 500 | 11 310 | 11 310 | 11 310 | 29 620 | 32 860 | 25 400 |
| To ensure legally sound Financial viability and Management | Financial Management | G | | 341 | 1 245 | 1 245 | 10 950 | 10 950 | 10 950 | 13 450 | 12 150 | 12 700 |
| To Maintain and Sustain the 2010 legacy projects | 2010 legacy projects | H | | | | - | 6 000 | 6 000 | 6 000 | - | - | - |
| Allocations to other priorities | | | 3 | | | | | | | | | |
| Total Capital Expenditure | | | 1 | 853 380 | 301 246 | 194 948 | 511 568 | 523 096 | 523 096 | 537 206 | 615 729 | 739 719 |

| MP322 Mbombela - Supporting Table S48 Performance Indicators and benchmarks | | | | | | | | | | 2013/14 Medium Term Revenue & Expenditure Framework | | |
|---|--|-----------------|-----------------|-----------------|----------------------|-----------------|--------------------|-------------------|-------|---|------------------------|------------------------|
| Description of financial indicator | Basis of calculation | 2009/10 | 2010/11 | 2011/12 | Current Year 2012/13 | | | | | Budget Year 2013/14 | Budget Year +1 2014/15 | Budget Year +2 2015/16 |
| | | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget | Adjusted Budget | Full Year Forecast | Pre-audit outcome | | | | |
| <u>Borrowing Management</u> | | | | | | | | | | | | |
| Credit Rating | | A2 za | A2 za | A2 za | A2 za | A2 za | A2 za | A2 za | | | | |
| Capital Charges in Operating Expenditure | Interest & Principal Paid /Operating Expenditure | 2.1% | 2.5% | 2.7% | 3.5% | 6.0% | 6.0% | 6.0% | 3.6% | 3.3% | 3.5% | |
| Capital Charges in Own Revenue | Finance charges & Repayment of Borrowing /Own Revenue | 2.3% | 3.3% | 4.3% | 4.1% | 7.4% | 7.4% | 7.4% | 4.1% | 3.5% | 4.0% | |
| Depreciated amount of 'own' capital expenditure | Operating Capital expenditure excl. | 0.1% | 0.1% | 20.2% | 102.5% | 64.3% | 64.3% | 64.3% | 35.7% | 0.0% | 22.9% | |
| <u>Safety of Capital</u> | | | | | | | | | | | | |
| Gearing | Long Term Borrowing/ Funds & Reserves | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | |
| <u>Liquidity</u> | | | | | | | | | | | | |
| Cashed Ratio | Cashed assets/total liabilities | 0.5 | 0.3 | 0.2 | 1.2 | 0.9 | 0.9 | 0.9 | 1.5 | 1.9 | 2.5 | |
| Cashed Ratio adjusted for aged debts | Cashed assets less debts > 90 days/total liabilities | 0.5 | 0.3 | 0.2 | 1.2 | 0.9 | 0.9 | 0.9 | 1.5 | 1.9 | 2.5 | |
| Liquidity Ratio | Maturity Assets/Cashed Liabilities | 0.0 | 0.0 | 0.1 | 0.7 | 0.5 | 0.5 | 0.5 | 1.0 | 1.4 | 2.1 | |
| <u>Revenue Management</u> | | | | | | | | | | | | |
| Annual Dollars Collection Rate (Paid by Level 1) | Last 12 Mths Receipts/Last 12 Mths Billing | | | 13.8% | 102.7% | 101.9% | 65.9% | 77.4% | 77.4% | 77.4% | 75.6% | 71.7% |
| Cashed Dollars Collection Rate (Cash receipts % of Ratepayer & Other revenue) | | | | 13.8% | 102.7% | 101.9% | 65.9% | 77.4% | 77.4% | 77.4% | 71.2% | 69.1% |
| Outstanding Debts in Revenue | Total Outstanding Debts in Annual Revenue | 143% | 9.4% | 6.5% | 3.9% | 4.7% | 4.7% | 4.7% | 4.2% | 3.8% | 3.2% | |
| Longstanding Debts Recovered | Outlays > 12 Mths Recovered/Told Outlays > 12 Months OM | | | | 3.0% | 2.0% | 2.0% | 2.0% | 3.0% | 3.0% | 3.0% | |
| <u>Creditors Management</u> | | | | | | | | | | | | |
| Creditors System Efficiency | % of Creditors Paid Within Terms (within 1M Month's End) | 90.0% | 90.0% | 90.0% | 95.0% | 95.0% | 95.0% | 95.0% | 95.0% | 95.0% | 95.0% | |
| Creditors in Cash and Investments | | -303.1% | 1700.4% | 552.6% | 102.0% | 110.9% | 110.9% | 110.9% | 69.8% | 51.5% | 39.2% | |
| <u>Other Indicators</u> | | | | | | | | | | | | |
| Excessivity Distillation Losses (2) | Total Volume Losses (kL) | | | 61193899 | | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | Total Cost of Losses (Rand '000) | | | 48 343 | 31 000 | - | - | - | - | - | - | - |
| Water Distillation Losses (2) | Total Volume Losses (kL) | | | 618 406 | | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | Total Cost of Losses (Rand '000) | | | 5 332 | 2 000 | - | - | - | - | - | - | - |
| Employee costs | Employee costs/Total Revenue - | 19.4% | 29.5% | 27.9% | 24.5% | 22.7% | 22.7% | 22.7% | 23.8% | 23.2% | 23.2% | |
| Remuneration | Total remuneration/Total Revenue - | 20.0% | 30.9% | 27.9% | 25.7% | 24.8% | 24.8% | 24.8% | 25.0% | 24.2% | 24.2% | |
| Repairs & Maintenance | R&M/Total Revenue excluding capital | 0.1% | 10.6% | 9.9% | 8.7% | 8.5% | 8.5% | 8.5% | 6.3% | 5.9% | 5.9% | |
| Finance charges & Depreciation | FC&D/Total Revenue - capital | 13.3% | 25.6% | 23.9% | 18.8% | 17.1% | 17.1% | 17.1% | 17.3% | 16.4% | 17.1% | |
| <u>IOR regulation financial viability indicators</u> | | | | | | | | | | | | |
| i. Debt coverage | (Total Operating Revenue - Operating | 46.0 | 33.0 | 62.1 | 18.1 | 18.1 | 18.1 | 18.1 | 62.6 | 63.8 | 55.5 | 59.9 |
| ii.OAS Service Debts in Revenue | Total outstanding service | 39.1% | 16.5% | 10.7% | 7.2% | 8.9% | 8.9% | 8.9% | 7.9% | 6.9% | 6.9% | 6.9% |
| iii. Cash coverage | (available cash - | 0.0 | 0.2 | 0.4 | 1.4 | 1.1 | 1.1 | 1.1 | 2.0 | 2.6 | 3.4 | |

| MP322 Mbombela - Supporting Table S49 Social, economic and demographic statistics and assumptions | | | | | | | | | | | | |
|---|--------------|----------------------|-------------|-------------|-------------|-----------------|---------|---------|----------------------|---|---------|---------|
| Description of economic indicator | Ref. | Basis of calculation | 1996 Census | 2001 Census | 2007 Survey | 2013/10 | 2013/11 | 2013/12 | Current Year 2013/13 | 2013/14 Medium Term Revenue & Expenditure Framework | | |
| | | | Outcome | Outcome | Outcome | Original Budget | Outcome | Outcome | Outcome | Outcome | Outcome | Outcome |
| Demographics | | | | | | | | | | | | |
| Population | | | - | 527 | 527 | 589 | 589 | 589 | 589 | 589 | 589 | 589 |
| Unemployed | | | - | | 64 | 64 | 64 | 64 | 64 | 64 | 64 | 64 |
| Monthly household income (no. of households) | 1, 12 | | | | | | | | | | | |
| No income | | | - | | 21 006 | 21 006 | 21 006 | 21 006 | 21 006 | 21 006 | 21 006 | 21 006 |
| R1 - R1 000 | | | - | | 50 210 | 50 210 | 50 210 | 50 210 | 50 210 | 50 210 | 50 210 | 50 210 |
| R1 001 - R3 200 | | | - | | 33 354 | 33 354 | 33 354 | 33 354 | 33 354 | 33 354 | 33 354 | 33 354 |
| R3 201 - R6 400 | | | - | | 21 498 | 21 498 | 21 498 | 21 498 | 21 498 | 21 498 | 21 498 | 21 498 |
| R6 401 - R12 800 | | | - | | 14 105 | 14 105 | 14 105 | 14 105 | 14 105 | 14 105 | 14 105 | 14 105 |
| R12 801 - R25 600 | | | - | | 11 066 | 11 066 | 11 066 | 11 066 | 11 066 | 11 066 | 11 066 | 11 066 |
| R25 601 - R51 200 | | | - | | 7 170 | 7 170 | 7 170 | 7 170 | 7 170 | 7 170 | 7 170 | 7 170 |
| R52 201 - R102 400 | | | - | | 2 293 | 2 293 | 2 293 | 2 293 | 2 293 | 2 293 | 2 293 | 2 293 |
| R102 401 - R204 800 | | | - | | 592 | 592 | 592 | 592 | 592 | 592 | 592 | 592 |
| R204 801 - R409 600 | | | - | | 473 | 473 | 473 | 473 | 473 | 473 | 473 | 473 |
| R409 601 - R819 200 | | | - | | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 |
| Household demographics (000) | | | | | | | | | | | | |
| Number of people in municipal area | | | 477 | 527 | 527 | 589 | 589 | 589 | 589 | 589 | 589 | 589 |
| Number of poor people in municipal area | | | | 297 760 | | | | | | | | |
| Number of households in municipal area | | | 112 226 | 112 226 | | | | | | | | |
| Definition of poor household (R per month) | | | 2 040 | 2 040 | | | | | | | | |
| Economic | 6 | | | | | | | | | | | |
| Inflation outlook (CPIK) | | | | | | 5.6% | 5.6% | 5.6% | 5.4% | 5.4% | 5.4% | 5.4% |
| Remuneration increases | | | | | | | | | 6.8% | 7.0% | 6.5% | 5.9% |
| Consumption growth (electricity) | | | | | | | | | 13.5% | 9.0% | 9.0% | 9.0% |
| Consumption growth (water) | | | | | | | | | 6.0% | 5.5% | 5.1% | 4.9% |
| Collection rates | 7 | | | | | | | | | | | |
| Property tax/service charges | | | | | | 85.0% | 97.0% | 90.0% | 93.0% | 93.0% | 93.0% | 94.0% |
| Rental of facilities & equipment | | | | | | 85.0% | 97.0% | 90.0% | 93.0% | 93.0% | 93.0% | 94.0% |
| Interest - external investments | | | | | | 85.0% | 97.0% | 90.0% | 93.0% | 93.0% | 93.0% | 94.0% |
| Interest - debentures | | | | | | 85.0% | 97.0% | 90.0% | 93.0% | 93.0% | 93.0% | 94.0% |
| Revenue from agency services | | | | | | 85.0% | 97.0% | 90.0% | 93.0% | 93.0% | 93.0% | 94.0% |

| Detail on the provision of municipal services for A10 | | | | | | | | | | | |
|---|------|--|----------------|----------------|----------------|----------------------|-----------------|--------------------|---|------------------------|------------------------|
| Total municipal services | | | 2009/10 | 2010/11 | 2011/12 | Current Year 2012/13 | | | 2013/14 Medium Term Revenue & Expenditure Framework | | |
| | Ref. | | Outcome | Outcome | Outcome | Original Budget | Adjusted Budget | Full Year Forecast | Budget Year 2013/14 | Budget Year +1 2014/15 | Budget Year +2 2015/16 |
| Household service targets (000) | | | | | | | | | | | |
| Water: | | | | | | | | | | | |
| | | Piped water inside dwelling | 58 014 | 58 014 | 58 014 | 71 933 | 71 933 | 71 933 | 75 530 | 79 306 | 83 271 |
| | | Piped water inside yard (but not dwelling) | 68 362 | 68 362 | 68 362 | 87 331 | 87 331 | 87 331 | 91 698 | 96 282 | 101 097 |
| | 8 | Using public tap (at least once a week) | 46 874 | 46 874 | 46 874 | 49 217 | 49 217 | 49 217 | 51 678 | 54 262 | 56 975 |
| | 10 | Other water supply (at least once a week) | 6 498 | 6 498 | 6 498 | 6 823 | 6 823 | 6 823 | 7 164 | 7 522 | 7 898 |
| Minimum Service Level and Above sub-total | | | 179 748 | 179 748 | 179 748 | 215 304 | 215 304 | 215 304 | 226 009 | 237 313 | 249 241 |
| | 9 | Using public tap (< min serv) | 46 874 | 46 874 | 46 874 | 56 387 | 56 387 | 56 387 | 59 206 | 62 167 | 65 275 |
| | | No water supply | 688 | 688 | 688 | 565 | 565 | 565 | 593 | 623 | 654 |
| Below Minimum Service Level sub-total | | | 47 562 | 47 562 | 47 562 | 56 952 | 56 952 | 56 952 | 59 809 | 62 799 | 65 929 |
| | | Total number of household | 227 310 | 227 310 | 227 310 | 222 266 | 222 266 | 222 266 | 206 889 | 300 162 | 316 130 |
| Sanitation coverage: | | | | | | | | | | | |
| | | Flush toilet (connected to sewer) | 59 123 | 59 123 | 59 123 | 77 667 | 77 667 | 77 667 | 81 550 | 85 628 | 89 909 |
| | | Flush toilet (with septic tank) | 4 123 | 4 123 | 4 123 | 749 | 749 | 749 | 749 | 749 | 749 |
| | | Chemical toilet | 7 287 | 7 287 | 7 287 | 8 731 | 8 731 | 8 731 | 9 168 | 9 626 | 10 107 |
| | | PT toilet (portable) | 99 493 | 99 493 | 99 493 | 116 705 | 116 705 | 116 705 | 122 540 | 128 667 | 135 101 |
| Minimum Service Level and Above sub-total | | | 170 026 | 170 026 | 170 026 | 203 952 | 203 952 | 203 952 | 214 007 | 224 610 | 235 066 |
| | | Other toilet provisions (< min serv) | 19 922 | 19 922 | 19 922 | 23 202 | 23 202 | 23 202 | 24 362 | 25 580 | 26 859 |
| | | No toilet provisions | 10 814 | 10 814 | 10 814 | 11 732 | 11 732 | 11 732 | 12 319 | 12 935 | 13 581 |
| Below Minimum Service Level sub-total | | | 39 736 | 39 736 | 39 736 | 34 934 | 34 934 | 34 934 | 36 681 | 38 515 | 40 440 |
| | | Total number of household | 200 762 | 200 762 | 200 762 | 238 766 | 238 766 | 238 766 | 250 688 | 263 185 | 276 307 |
| Energy: | | | | | | | | | | | |
| | | Electricity (at least min service) | 5 498 | 5 498 | 5 498 | 7 077 | 7 077 | 7 077 | 7 431 | 7 802 | 8 193 |
| | | Electricity - prepaid (min service) | 178 | 178 | 178 | - | - | - | - | - | - |
| Minimum Service Level and Above sub-total | | | 5 676 | 5 676 | 5 676 | 7 077 | 7 077 | 7 077 | 7 431 | 7 802 | 8 193 |
| | | Total number of household | 6 676 | 6 676 | 6 676 | 7 077 | 7 077 | 7 077 | 7 431 | 7 802 | 8 193 |
| Refuse: | | | | | | | | | | | |
| | | Removed less frequently than once a month | 9 744 | 9 744 | 9 744 | 15 281 | 15 281 | 15 281 | 16 045 | 16 847 | 17 690 |
| | | Using communal refuse dump | 2 121 | 2 121 | 2 121 | 7 416 | 7 416 | 7 416 | 7 787 | 8 176 | 8 409 |
| | | Using own refuse dump | 5 234 | 5 234 | 5 234 | 6 804 | 6 804 | 6 804 | 7 144 | 7 501 | 7 375 |
| | | No rubbish disposal | 4 500 | 4 500 | 4 500 | 7 938 | 7 938 | 7 938 | 8 335 | 8 752 | 9 189 |
| Below Minimum Service Level sub-total | | | 21 599 | 21 599 | 21 599 | 37 439 | 37 439 | 37 439 | 39 311 | 41 216 | 42 663 |
| | | Total number of household | 21 699 | 21 699 | 21 699 | 37 439 | 37 439 | 37 439 | 39 311 | 41 216 | 42 663 |

| MP322 Mbombela Supporting Table SAI 0 Funding measurement | | | | | | | | | | | | |
|--|---------------|-----|-----------|-----------|-----------|----------------------|-----------|-----------|-----------|---|-------------|-------------|
| Description | MFIAS section | Ref | 2009/10 | 2010/11 | 2011/12 | Current Year 2012/13 | | | | 2013/14 Medium Term Revenue & Expenditure | | |
| | | | Audited | Audited | Audited | Original | Adjusted | Full Year | Pre-audit | Budget Year | Budget Year | Budget Year |
| Funding measures | | | | | | | | | | | | |
| Cash/cash equivalents at the year end - R'000 | 18(1)j | 1 | (56 189) | 15 774 | 35 752 | 132 301 | 110 156 | 110 156 | 110 156 | 206 263 | 233 264 | 415 179 |
| Cash + investments at the yr end less applications - R'000 | 18(1)j | 2 | (29 442) | (29 657) | (27 459) | 41 709 | 52 581 | 52 581 | 52 581 | 113 155 | 202 442 | 327 941 |
| Cash year end liability employee/supplier payments | 18(1)j | 3 | (0.8) | 0.2 | 0.4 | 1.4 | 1.1 | 1.1 | 1.1 | 2.0 | 2.5 | 3.4 |
| Supplies/(Debtors) excluding depreciation assets: R'000 | 18(1) | 4 | 315 300 | (212 152) | (62 445) | 56 035 | 52 750 | 52 750 | 52 750 | 123 659 | 269 503 | 272 932 |
| Service charge rev % change - minus CPIK budget estimate | 18(1)(a, f) | 5 | NA | 10.0% | 16.1% | 7.9% | 6.5% | 6.5% | 6.5% | 3.7% | 4.5% | 5.4% |
| Cash receipts %el Ratepayer & Other revenue | 18(1)(a, f) | 6 | 13.0% | 102.7% | 101.5% | 85.5% | 77.4% | 77.4% | 77.4% | 71.2% | 69.1% | 72.5% |
| Debt impaired expense as a %el total liability revenue | 18(1)(a, f) | 7 | 8.7% | 1.3% | 6.5% | 7.8% | 7.4% | 7.4% | 7.4% | 6.9% | 5.9% | 5.9% |
| Capital payments %el capital expenditure | 18(1)(e, f) | 8 | (8.3%) | 102.3% | 104.8% | 95.2% | 92.8% | 92.8% | 92.8% | 95.5% | 100.0% | 100.0% |
| Borrowing receipts %el capital expenditure (excl. bantous) | 18(1)j | 9 | 0.1% | 79.5% | 27.4% | 45.4% | 32.6% | 32.6% | 32.6% | 34.5% | 0.0% | 22.9% |
| Graids %el Govt. liquidated/guaranteed allocations | 18(1)j | 10 | | | | | | | | 47.6% | 44.3% | 50.4% |
| Current consumer debtors % change - inc/(dec) | 18(1)j | 11 | NA | (9.1%) | (22.6%) | (23.7%) | 23.7% | 0.0% | 0.0% | (3.2%) | (3.0%) | (3.0%) |
| Long term receivables % change - inc/(dec) | 18(1)j | 12 | NA | (64.7%) | 31.8% | (100.0%) | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% |
| R&D %el Property Plant & Equipment | 20(1)(e) | 13 | 2.5% | 2.5% | 2.5% | 2.7% | 2.9% | 2.9% | 2.9% | 2.3% | 2.4% | 2.4% |
| Asset renewal %el capital budget | 20(1)(e) | 14 | 29.7% | 22.5% | 22.5% | 46.7% | 44.8% | 44.8% | 0.0% | 55.0% | 45.9% | 42.3% |
| Supporting Indicators | | | | | | | | | | | | |
| %incr total service charges (inc/proptaxes) | 18(1)j | | | 16.0% | 22.1% | 13.9% | 6.5% | 0.0% | 0.0% | 9.7% | 10.5% | 11.4% |
| %incr Property Tax | 18(1)j | | | 5.7% | 24.2% | 14.4% | 0.1% | 0.0% | 0.0% | 0.9% | 10.2% | 10.7% |
| %incr Service charges - electricity revenue | 18(1)j | | | 21.9% | 23.4% | 14.2% | 0.7% | 0.0% | 0.0% | 9.9% | 10.4% | 11.5% |
| %incr Service charges - water revenue | 18(1)j | | | 41.1% | 0.4% | 11.6% | (1.3%) | 0.0% | 0.0% | 14.7% | 10.3% | 10.6% |
| %incr Service charges - sanitation revenue | 18(1)j | | | 0.1% | 17.3% | 16.1% | 0.2% | 0.0% | 0.0% | 9.9% | 10.4% | 10.7% |
| %incr Service charges - refuse revenue | 18(1)j | | | 9.4% | 15.2% | 9.6% | 1.5% | 0.0% | 0.0% | 10.9% | 11.9% | 12.4% |
| %incr in Service charges - other | 18(1)j | | | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% |
| Total liability revenue | 18(1)j | | 590 295 | 709 309 | 650 406 | 569 504 | 560 642 | 560 642 | 560 642 | 1 054 341 | 1 164 932 | 1 297 476 |
| Service charges | | | 590 002 | 682 073 | 633 975 | 569 063 | 544 104 | 544 104 | 544 104 | 1 025 818 | 1 141 105 | 1 274 241 |
| Property rates | | | 187 152 | 197 055 | 245 816 | 281 105 | 280 934 | 280 934 | 280 934 | 315 881 | 337 153 | 373 339 |
| Service charges - electricity revenue | | | 326 997 | 480 335 | 484 937 | 565 100 | 561 001 | 561 001 | 561 001 | 615 726 | 619 904 | 759 052 |
| Service charges - water revenue | | | 18 176 | 25 647 | 25 751 | 20 744 | 27 521 | 27 521 | 27 521 | 31 510 | 34 824 | 38 986 |
| Service charges - sanitation revenue | | | 12 657 | 12 644 | 14 827 | 17 214 | 15 005 | 15 005 | 15 005 | 17 364 | 19 169 | 21 218 |
| Service charges - refuse removal | | | 41 861 | 45 782 | 52 745 | 57 813 | 58 843 | 58 843 | 58 843 | 65 277 | 73 057 | 82 127 |
| Rental of facilities and equipment | | | 1 412 | 26 456 | 16 431 | 19 441 | 16 538 | 16 538 | 16 538 | 18 523 | 20 745 | 23 235 |
| Capital expenditure excluding capital grant funding | | | 268 817 | 172 509 | 184 613 | 220 267 | 208 434 | 208 434 | 208 434 | 261 006 | 219 535 | 349 805 |
| Cash receipts from ratepayers | 18(1)j | | 156 534 | 940 502 | 1 039 707 | 1 227 225 | 1 067 450 | 1 067 450 | 1 067 450 | 1 140 540 | 1 275 432 | 1 421 622 |
| Ratepayer & Other revenue | 18(1)j | | 129 162 | 915 999 | 1 024 053 | 1 404 663 | 1 404 145 | 1 404 145 | 1 404 145 | 1 600 850 | 1 845 527 | 1 969 364 |
| Change in consumer debtors (current and non-current) | | | (182 812) | (113 904) | (26 327) | (22 149) | (5 690) | (5 690) | (5 690) | 13 669 | (2 429) | (2 387) |
| Operating and Capital Grant Revenue | 18(1)j | | 397 738 | 328 603 | 375 143 | 320 607 | 409 255 | 409 255 | 409 255 | 365 595 | 401 723 | 473 323 |
| Capital expenditure - total | 20(1)(e) | | 853 388 | 301 246 | 194 968 | 541 568 | 523 096 | 523 096 | 523 096 | 597 206 | 645 729 | 739 719 |
| Capital expenditure - seasonal | 20(1)(e) | | 253 869 | 67 856 | 43 869 | 252 877 | 234 485 | 234 485 | 234 485 | 328 673 | 362 840 | 313 071 |
| Supporting benchmarks | | | | | | | | | | | | |
| Growth guideline maximum | | | | 6.0% | 6.0% | 6.0% | 6.0% | 6.0% | 6.0% | 6.0% | 6.0% | 6.0% |
| CPI guideline | | | | 4.3% | 3.9% | 4.6% | 5.0% | 5.0% | 5.0% | 5.4% | 5.6% | 5.4% |
| DoRA operating grants total MFY | | | | | | | | | | 366 860 | 406 723 | 490 328 |
| DoRA capital grants total MFY | | | | | | | | | | 379 281 | 500 617 | 448 787 |
| Total general/advised national, provincial and district grants | | | | | | | | | | 745 141 | 987 348 | 939 115 |
| Average annual collection rate (menses inclusive) | | | | | | | | | | | | |
| DoRA operating | | | | | | | | | | | | |
| Equitable Share | | | | | | | | | | 342 190 | 388 559 | 460 251 |
| Municipal Systems Improvement Grant (MSIG) | | | | | | | | | | 890 | 934 | 967 |
| Financial Management Grant (FMG) | | | | | | | | | | 1 550 | 1 600 | 1 650 |
| Water Service Operating Grant, INEP & Energy | | | | | | | | | | 9 180 | 10 630 | 10 455 |
| | | | | | | | | | | 353 810 | 401 723 | 473 323 |
| DoRA capital | | | | | | | | | | | | |
| Municipal Infrastructure Grant (MIG) | | | | | | | | | | 241 164 | 286 275 | 310 268 |
| Municipal Water Infrastructure Grant (MWIG) | | | | | | | | | | 9 355 | 19 151 | 38 302 |
| Neighbourhood Development Partnership Grant | | | | | | | | | | 5 000 | - | - |
| Public transport Infrastructure | | | | | | | | | | 123 762 | 195 191 | 100 217 |
| | | | | | | | | | | 379 281 | 500 617 | 448 787 |
| Trend | | | | | | | | | | | | |
| Change in consumer debtors (current and non-current) | | | | (182 812) | (113 904) | (26 327) | (5 690) | 13 669 | (2 429) | (2 387) | - | - |

| Description | MFLA section | Ref | 2009/10 | 2010/11 | 2011/12 | Current Year 2012/13 | | | | 2013/14 Medium Term Revenue & Expenditure | | | | | |
|--|-----------------|-----|-----------|-----------|-----------|----------------------|-----------|-----------|-----------|---|-------------|-------------|-----------|-----------|-----------|
| | | | Audited | Audited | Audited | Original | Adjusted | Full Year | Pre-audit | Budget Year | Budget Year | Budget Year | | | |
| Total Operating Revenue | | | 1 616 253 | 1 249 537 | 1 487 922 | 1 759 289 | 1 816 946 | 1 816 946 | 1 816 946 | 1 864 414 | 2 255 876 | 2 442 228 | | | |
| Total Operating Expenditure | | | 1 300 953 | 1 481 688 | 1 670 366 | 1 103 255 | 1 734 156 | 1 734 156 | 1 734 156 | 1 849 745 | 1 985 373 | 2 169 236 | | | |
| Operating Performance Surplus/(Deficit) | | | 315 300 | (212 152) | (262 445) | 56 035 | 82 790 | 82 790 | 82 790 | 123 669 | 280 503 | 272 932 | | | |
| Cash and Cash Equivalents (30 June 2012) | | | | | | | | | | 206 263 | | | | | |
| Revenue | | | | | | | | | | | | | | | |
| % Increase in Total Operating Revenue | | | | | | (22.7%) | 12.7% | 25.0% | 33% | 0.0% | 0.0% | 8.1% | 14.8% | 8.3% | |
| % Increase in Property Rates Revenue | | | | | | 5.7% | 24.2% | 14.4% | (0.1%) | 0.0% | 0.0% | 8.9% | 18.2% | 10.7% | |
| % Increase in Electricity Revenue | | | | | | 21.9% | 23.4% | 14.2% | (0.7%) | 0.0% | 0.0% | 9.8% | 19.4% | 11.8% | |
| % Increase in Property Rates & Services Charges | | | | | | 16.0% | 22.1% | 13.9% | (0.6%) | 0.0% | 0.0% | 9.7% | 18.9% | 11.4% | |
| Expenditure | | | | | | | | | | | | | | | |
| % Increase in Total Operating Expenditure | | | | | | 12.4% | 14.3% | 2.0% | 1.8% | 0.0% | 0.0% | 6.1% | 8.4% | 8.7% | |
| % Increase in Employee Costs | | | | | | 24.1% | 6.4% | 9.9% | (4.6%) | 0.0% | 0.0% | 13.8% | 11.8% | 8.2% | |
| % Increase in Electricity Bulk Purchases | | | | | | 4.8% | 23.5% | 3.9% | (0.3%) | 0.0% | 0.0% | 11.2% | 9.1% | 9.1% | |
| Average Cost Per Budgeted Employee Position (Remuneration) | | | | | | 110 555 | 122 656 | | | | | 133 189 | | | |
| Average Cost Per Councillor (Remuneration) | | | | | | 247 459 | 257 832 | | | | | 262 833 | | | |
| R&D % of PPE | | | | | | 2.5% | 2.5% | 2.0% | 2.7% | 2.9% | 2.9% | 2.3% | 2.4% | 2.4% | |
| Asset Renewal and R&D as a % of PPE | | | | | | 7.0% | 4.0% | 3.0% | 7.0% | 7.0% | 7.0% | 8.0% | 7.0% | 7.0% | |
| Debt Impairment % of Total Billable Revenue | | | | | | 8.7% | 1.3% | 6.5% | 7.8% | 7.4% | 7.4% | 6.9% | 5.9% | 5.9% | |
| Capital Revenue | | | | | | | | | | | | | | | |
| Internally Generated & Other (R'000) | | | | | | 137 877 | 102 429 | 71 483 | 82 957 | 148 463 | 148 463 | 148 463 | 173 545 | 209 938 | 251 409 |
| Borrowing (R'000) | | | | | | 130 940 | 70 140 | 33 130 | 137 330 | 59 971 | 59 971 | 59 971 | 87 541 | 10 437 | 81 347 |
| Grant Funding and Other (R'000) | | | | | | 584 563 | 126 676 | 91 336 | 321 281 | 314 682 | 314 682 | 314 682 | 336 189 | 426 194 | 389 903 |
| Internally Generated funds % of Non Grant Funding | | | | | | 51.3% | 59.4% | 68.3% | 37.7% | 71.2% | 71.2% | 71.2% | 66.5% | 55.2% | 76.7% |
| Borrowing % of Non Grant Funding | | | | | | 4.7% | 4.0% | 31.7% | 62.3% | 28.0% | 28.0% | 28.0% | 33.9% | 4.8% | 23.3% |
| Grant Funding % of Total Funding | | | | | | 68.5% | 42.7% | 43.3% | 59.3% | 60.2% | 60.2% | 60.2% | 55.3% | 55.0% | 52.7% |
| Capital Expenditure | | | | | | | | | | | | | | | |
| Total Capital Programme (R'000) | | | | | | 863 300 | 299 529 | 204 321 | 541 568 | 523 086 | 523 086 | 523 086 | 597 206 | 665 729 | 739 719 |
| Asset Renewal | | | | | | 253 869 | 67 865 | 43 863 | 252 877 | 234 485 | 234 485 | 234 485 | 328 623 | 312 840 | 313 071 |
| Asset Renewal % of Total Capital Expenditure | | | | | | 29.7% | 22.5% | 22.5% | 46.7% | 41.8% | 41.8% | 41.8% | 55.0% | 45.9% | 42.3% |
| Cash | | | | | | | | | | | | | | | |
| Cash Receipts % of Rate Payer & Other | | | | | | 13.0% | 102.7% | 101.5% | 65.5% | 77.4% | 77.4% | 77.4% | 71.2% | 69.1% | 72.5% |
| Borrowing | | | | | | | | | | | | | | | |
| Credit Rating (2009/10) | | | | | | | | | | | | | 82.20 | | |
| Capital Changes in Operating | | | | | | 2.1% | 2.5% | 2.7% | 3.5% | 6.0% | 6.0% | 6.0% | 3.0% | 3.3% | 3.0% |
| Borrowing Receipts % of Capital Expenditure | | | | | | 0.1% | 79.5% | 27.4% | 45.4% | 32.0% | 32.0% | 32.0% | 34.9% | 0.0% | 22.9% |
| Reserves | | | | | | | | | | | | | | | |
| Surplus/(Deficit) | | | | | | (473 440) | (230 657) | (357 459) | 41 709 | 52 981 | 52 981 | 52 981 | 113 155 | 202 442 | 327 941 |
| Free Services | | | | | | | | | | | | | | | |
| Free Basic Services as a % of Equitable Share | | | | | | 14.0% | 11.2% | 10.0% | 16.3% | 16.3% | 16.3% | | 34.7% | 32.7% | 29.3% |
| Free Services as a % of Operating Revenue | | | | | | 9.9% | 13.0% | 11.7% | 10.9% | 10.9% | 10.9% | | 21.0% | 19.3% | 18.0% |
| High Level Outcome of Funding Compliance | | | | | | | | | | | | | | | |
| Total Operating Revenue | | | | | | 1 616 253 | 1 249 537 | 1 487 922 | 1 759 289 | 1 816 946 | 1 816 946 | 1 816 946 | 1 864 414 | 2 255 876 | 2 442 228 |
| Total Operating Expenditure | | | | | | 1 300 953 | 1 481 688 | 1 670 366 | 1 103 255 | 1 734 156 | 1 734 156 | 1 734 156 | 1 849 745 | 1 985 373 | 2 169 236 |
| Surplus/(Deficit) Budgeted Operating Statement | | | | | | 315 300 | (212 152) | (262 445) | 56 035 | 82 790 | 82 790 | 82 790 | 123 669 | 280 503 | 272 932 |
| Surplus/(Deficit) Constituting Reserves and Cash Backing | | | | | | (164 140) | (462 900) | (619 900) | 97 744 | 135 321 | 135 321 | 135 321 | 236 824 | 452 944 | 600 832 |
| MTREF Funded (+) / Unfunded (-) | | | | | | 15 | 0 | 0 | 0 | 1 | 1 | 1 | 1 | 1 | 1 |
| MTREF Funded ✓ / Unfunded ✗ | | | | | | 15 | ✗ | ✗ | ✗ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |

| MP322 Mbombela - Supporting Table SA11 Property rates summary | | | | | | | | | | |
|---|-----|---------|---------|---------|----------------------|----------|-----------|---|-------------|-------------|
| Description | Ref | 2009/10 | 2010/11 | 2011/12 | Current Year 2012/13 | | | 2013/14 Medium Term Revenue & Budget Year | | |
| | | Audited | Audited | Audited | Original | Adjusted | Full Year | Budget Year | Budget Year | Budget Year |
| <u>Valuation:</u> | 1 | | | | | | | | | |
| Date of valuation: | | | | | | | | | | |
| Financial year valuation used: | | | | | | | | Yes | | |
| Municipal by-laws s6 in place? (Y/N) | 2 | | | | | | | Yes | | |
| Municipal assessor valuer appointed? (Y/N) | | | | | | | | No | | |
| Municipal partnership s38 used? (Y/N) | | | | | | | | 2 | 2 | 2 |
| No. of assessor valuers (FTE) | 3 | | | | | | | 6 | 6 | 6 |
| No. of data collectors (FTE) | 3 | | | | | | | 2 | 2 | 2 |
| No. of internal valuers (FTE) | 3 | | | | | | | 5 | 5 | 5 |
| No. of external valuers (FTE) | 3 | | | | | | | - | - | - |
| No. of additional valuers (FTE) | 4 | | | | | | | No | No | No |
| Valuation appeal board established? (Y/N) | | | | | | | | 12 | | |
| Implementation time of new valuation roll (months) | | | | | | | | 63 300 | | |
| No. of properties | 5 | 62 405 | 63 000 | | - | 63 000 | | 63 300 | 63 300 | 63 300 |
| No. of sectional title valuers | 5 | 4 422 | 4 672 | | - | 4 672 | | 4 805 | 4 805 | 4 805 |
| No. of unreasonably difficult properties s7(2) | | 108 | | | | | | | | |
| No. of supplementary valuations | | 2 | 1 | | - | 1 | | 1 | 1 | 1 |
| No. of valuation roll amendments | | - | 701 | | - | 701 | | - | - | - |
| No. of objections by rate payers | | - | 66 | | - | 66 | | - | - | - |
| No. of appeals by rate payers | | - | 4 | | - | 4 | | - | - | - |
| Supplementary valuation | | 2 | 1 | | - | 1 | | 1 | 1 | 1 |
| Public service infrastructure value (Rm) | 5 | 28 | 43 | | - | 43 | | 43 | 43 | 43 |
| Municipally owned property value (Rm) | | 3 150 | 2 240 | | - | 2 240 | | 3 161 | 3 161 | 3 161 |
| <u>Valuation reductions:</u> | | | | | | | | | | |
| Valuation reductions-public infrastructure (Rm) | | | 8 | 11 | | 11 | | | | |
| Valuation reductions-nature reserves/park (Rm) | | | - | 6 | | 6 | | 6 | 6 | 6 |
| Valuation reductions-mineral rights (Rm) | | | - | - | | - | | 358 | 358 | 358 |
| Valuation reductions-R15,000 threshold (Rm) | | | 622 | 670 | | 670 | | 669 | 669 | 669 |
| Valuation reductions-public worship (Rm) | | | 293 | 328 | | 328 | | 358 | 358 | 358 |
| Valuation reductions-other (Rm) | | | 2 740 | 2 250 | | 2 250 | | | | |
| Total valuation reductions: | | - | - | 3 664 | 3 264 | - | 3 264 | 1 391 | 1 391 | 1 391 |
| Total value used for rating (Rm) | 5 | | 33 726 | 36 685 | | 36 685 | | 37 012 | 37 012 | 37 012 |
| Total market value (Rm) | 5 | | 33 726 | 36 685 | | 36 685 | | 37 012 | 37 012 | 37 012 |
| <u>Rating:</u> | | | | | | | | | | |
| Residential rate used to determine rate for other | | | Yes | Yes | | | | | | |
| Differential rates used? (Y/N) | 5 | | Yes | Yes | | | | | | |
| Limit on annual rate increase (s20)? (Y/N) | | | No | No | | | | | | |
| Special rating area used? (Y/N) | | | No | No | | | | | | |
| Phasing-in properties s21 (number) | | | | 4739 | | | | | | |
| Rates policy accompanying budget? (Y/N) | | | Yes | Yes | | | | | | |
| <u>Rate revenue:</u> | | | | | | | | | | |
| Expected cash collection rate (%) | | 85.0% | 97.0% | 97.0% | 92.0% | 92.0% | 92.0% | 93.0% | 93.0% | 94.0% |

| Description | Ref | Resi. | Indust. | Bus. & | Farm prop. | State-owned | Umu prop. | Public | Private | Formal & | Comm. | Socfin | Protect | Public | Mining |
|---|-----|--------------|--------------|---------|--------------|--------------|-----------|-----------|-------------|--------------|--------------|--------------|--------------|--------------|--------------|
| Current Year 2013 | | | | | | | | | | | | | | | |
| Valuation: | | | | | | | | | | | | | | | |
| No. of properties | | 52 079 | - | 2 234 | 3 833 | 83 | 1 761 | 342 | 1 706 | 651 | 125 | 96 | 3 | 98 | - |
| No. of residential property values | | 4 214 | - | 458 | - | - | - | - | - | - | - | - | - | - | - |
| No. of supplementary valuations | | 2 | - | 2 | 2 | - | - | - | - | - | - | - | - | - | - |
| No. of objections by ratepayers | | 15 | - | 10 | 41 | - | - | - | - | - | - | - | - | - | - |
| No. of appeals by ratepayers | | - | - | 4 | - | - | - | - | - | - | - | - | - | - | - |
| Years since last valuation (select) | | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 |
| Frequency of valuation (select) | | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 |
| Method of valuation used (select) | | Market | Market | Market | Market | Market | Market | Market | Dep.Replace | Dep.Replace | Market | Market | Dep.Replace | Dep.Replace | Dep.Replace |
| Base of valuation (select) | | Land & impr. | Land & impr. | Other | Land & impr. | Land & impr. | Other | Land only | Land only | Land & impr. |
| Combination of rating types used? (Y/N) | | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes |
| Full site use? (Y/N) | | No | No | No | No | No | No | No | No | No | No | No | No | No | No |
| Is valuation统一by uniform cadastral area? | | Uniform | Uniform | Uniform | Uniform | Uniform | Uniform | Uniform | Uniform | Uniform | Uniform | Uniform | Uniform | Uniform | Uniform |
| Valuation reductions: | | | | | | | | | | | | | | | |
| Valuation reductions public infrastructure (Rm) | | - | - | - | - | - | - | 11 | - | - | - | - | - | - | - |
| Valuation reductions active management (Rm) | | - | - | - | - | - | - | - | - | - | - | - | - | 6 | - |
| Valuation reductions R15,000 threshold (Rm) | | 670 | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Valuation reductions public workslip (Rm) | | - | - | - | - | - | - | - | - | - | 328 | - | - | - | - |
| Valuation reductions other (Rm) | 2 | 2 250 | - | - | - | - | 2 240 | - | - | - | - | 121 | - | - | - |
| Total valuation reduction: | | | | | | | | | | | | | | | |
| Total value used for rating (Rm) | 6 | 18 379 | - | 10 069 | 5 794 | 916 | - | 32 | 1 080 | 23 | - | - | - | 32 | - |
| Total rated value (Rm) | 6 | 18 379 | - | 10 069 | 5 794 | 916 | - | 32 | 1 080 | 23 | - | - | - | 32 | - |

| IP32 Mbombela-Supporting Table S412b Propertyrates by category (budget year) | | | | | | | | | | | | | | | | | |
|--|--------------|--------|--------------|---------|--------------|--------------|-------------|-----------|---------|--------------|-------|--------------|--------------|----------|----------|--------|------|
| Description | Ref. | Resi. | Indust. | Bus. & | Farm prop. | State owned | Unim prop. | Public | Private | Found& | Comm. | State trust | Section | Protect. | National | Public | Wing |
| <u>Budget Year 2013/14</u> | | | | | | | | | | | | | | | | | |
| <u>Valuation:</u> | | | | | | | | | | | | | | | | | |
| No. of properties | 52 340 | - | 2 291 | 3 833 | 83 | 1 700 | 342 | 1 706 | 651 | 125 | - | 96 | 3 | - | 96 | - | |
| No. of residential property values | 4 355 | - | 499 | - | - | - | - | - | - | - | - | - | - | - | - | - | |
| No. of supplementary valuations | 1 | - | 1 | - | - | - | - | - | - | - | - | - | - | - | - | - | |
| Supplementary valuation (Rm) | 163 289 000 | - | 186 675 000 | - | - | - | - | - | - | - | - | - | - | - | - | - | |
| No. of valuation roll amendments | 261 | - | 57 | - | - | - | - | - | - | - | - | - | - | - | - | - | |
| Years since last valuation (select) | 5 | - | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 | |
| Frequency of valuation (select) | 5 | - | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 | |
| Method of valuation used (select) | Market | - | Market | Market | Dep.Replace | Dep.Replace | Dep.Replace | Market | Other | Dep.Replace | - | Market | Dep.Replace | - | - | - | |
| Base of valuation (select) | Land & impr. | - | Land & impr. | Other | Land & impr. | Land & impr. | Other | Land only | Other | Land & impr. | - | Land & impr. | Land & impr. | - | - | - | |
| Placing in properties S21 (number) | 0 | - | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | - | 0 | 0 | - | - | - | |
| Combination of rating types used? (Y/N) | No | - | No | No | No | No | No | No | No | No | - | No | No | - | - | - | |
| Private use? (Y/N) | No | - | No | No | No | No | No | No | No | No | - | No | No | - | - | - | |
| Is balance rated by uniform achievable rate? | Uniform | - | Uniform | Uniform | Uniform | Uniform | Uniform | Uniform | Uniform | Uniform | - | Uniform | Uniform | - | - | - | |
| <u>Valuation reductions:</u> | | | | | | | | | | | | | | | | | |
| Valuation reductions public infrastructure (Rm) | - | - | - | - | - | - | - | 11 | - | - | - | - | - | - | - | - | |
| Valuation reductions private investment (Rm) | - | - | - | - | - | - | - | - | - | - | - | - | 6 | - | - | - | |
| Valuation reductions 215,000 threshold (Rm) | 670 | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | |
| Valuation reductions public works? (Rm) | - | - | - | - | - | - | - | - | - | 328 | - | - | - | - | - | - | |
| Valuation reductions after (Rm) | 2 267 | - | - | - | - | - | 2 240 | - | - | - | - | 121 | - | - | - | - | |
| <u>Total valuation reductions:</u> | | | | | | | | | | | | | | | | | |
| Total value used for rating (Rm) | 6 | 18 519 | - | 10 255 | 5 794 | 916 | - | 32 | 1 000 | 23 | - | - | - | 392 | - | | |
| Total market value (Rm) | 6 | 18 519 | - | 10 255 | 5 794 | 916 | - | 32 | 1 000 | 23 | - | - | - | 392 | - | | |
| <u>Rating:</u> | | | | | | | | | | | | | | | | | |
| Expected cash collection rate (%) | 4 | 93.0% | 93.0% | 93.0% | 93.0% | 93.0% | 93.0% | 93.0% | 93.0% | 93.0% | 93.0% | 93.0% | 93.0% | 93.0% | 93.0% | 93.0% | |

| Description | Ref | 2009/10 | 2010/11 | 2011/12 | Current Year 2012/13 | 2013/14 Medium Term Revenue & Budget Year | | |
|--|--------|---------|---------|---------|-------------------------|--|-------------|-------------|
| | | | | | | Budget Year | Budget Year | Budget Year |
| Property rates (rate in the Rand) | 1 | | | | 0.52 | 0.5538 | 0.589797 | 0.628133805 |
| Residential properties | | | | | 2 | 2.13 | 2.26845 | 2.41589925 |
| Residential properties - vacant land | | | | | 0.52 | 0.5538 | 0.589797 | 0.628133805 |
| Formal/informal settlements | | | | | 0.52 | 0.5538 | 0.589797 | 0.628133805 |
| Small holdings | | | | | 0.52 | 0.5538 | 0.589797 | 0.628133805 |
| Farm properties - used | | | | | 0.18 | 0.1917 | 0.2041605 | 0.2041605 |
| Farm properties - not used | | | | | 0.18 | 0.1917 | 0.2041605 | 0.2041605 |
| Industrial properties | | | | | 1.3 | 1.3845 | 1.4744925 | 1.4744925 |
| Business and commercial properties | | | | | 1.3 | 1.3845 | 1.4744925 | 1.4744925 |
| State-owned properties | | | | | 2.2 | 2.343 | 2.495295 | 2.657489175 |
| Public service infrastructure | | | | | 0.18 | 0.1917 | 0.2041605 | 0.2041605 |
| Privately owned farms serviced by the municipality | | | | | 0.52 | 0.5538 | 0.589797 | 0.628133805 |
| Exemptions, reductions and rebates (Rands) | | | | | | | | |
| Residential properties | | | | | | | | |
| R15 000 threshold rebate | 15 000 | 15 000 | 15 000 | 15 000 | 15 000 | 15 000 | 15 000 | 15 000 |
| General residential rebate | | | | | 30 | 30 | 30 | 30 |
| Indigent rebate or exemption | | | | | 100 | 100 | 100 | 100 |
| Pensioner/social grants rebate or exemption | | | | | 100 | 100 | 100 | 100 |
| Boersland farmers rebate or exemption | | | | | 45 | 45 | 45 | 45 |
| Water tariffs | | | | | | | | |
| Domestic | | | | | | | | |
| Water usage - Block 2 (c/kh) | | | | | 11 | 12 | 13 | 14 |
| Water usage - Block 3 (c/kh) | | | | | 10 | 11 | 11 | 12 |
| Water usage - Block 4 (c/kh) | | | | | 9 | 10 | 11 | 11 |
| Waste water tariffs | | | | | | | | |
| Domestic | | | | | | | | |
| Basic charge/ed Lee (Rands/month) | | | | | 57 | 61 | 66 | 71 |
| Volumetric charge - Block 2 (c/kh) | | | | | 11 | 12 | 13 | 14 |
| Volumetric charge - Block 3 (c/kh) | | | | | 10 | 11 | 11 | 12 |
| Volumetric charge - Block 4 (c/kh) | | | | | 9 | 10 | 11 | 11 |
| Electricity tariffs | | | | | | | | |
| Domestic | | | | | | | | |
| Service point - vacant land (Rands/month) | | | | | 120 | 128 | 136 | 145 |
| FBG | | | | | 50 | 53 | 57 | 60 |
| Meter - IBT Block 1 (c/kwh) | | | | | 70 | 75 | 79 | 85 |
| Meter - IBT Block 2 (c/kwh) | | | | | 83 | 88 | 94 | 100 |
| Meter - IBT Block 3 (c/kwh) | | | | | 107 | 114 | 121 | 129 |
| Meter - IBT Block 4 (c/kwh) | | | | | 123 | 131 | 140 | 149 |
| Prepaid - IBT Block 1 (c/kwh) | | | | | 70 | 75 | 79 | 85 |
| Prepaid - IBT Block 2 (c/kwh) | | | | | 83 | 88 | 94 | 100 |
| Prepaid - IBT Block 3 (c/kwh) | | | | | 107 | 114 | 121 | 129 |
| Prepaid - IBT Block 4 (c/kwh) | | | | | 123 | 131 | 140 | 149 |

| MP322 Mbombela - Supporting Table S4/4 Household bills | | | | | | | | | | | |
|--|----------|-----------------|-----------------|-----------------|----------------------|-----------------|-----------------|---|-----------------|-----------------|-----------------|
| Description | Ref | 2009/10 | 2010/11 | 2011/12 | Current Year 2012/13 | | | 2013/14 Medium Term Revenue & Expenditure | | | % incr. |
| | | Audited | Audited | Audited | Original | Adjusted | Full Year | Budget Year | Budget Year | Budget Year | |
| Rentment | | | | | | | | | | | |
| Monthly Account for Household - Middle Income | 1 | | | | | | | | | | |
| Rates and services charges: | | | | | | | | | | | |
| Property rates | | 383.89 | 395.44 | 407.05 | 268.79 | 268.79 | 268.79 | 6.5% | 286.26 | 304.87 | 324.68 |
| Electricity: Basic Levy | | 87.00 | 80.00 | - | | | | | | | |
| Electricity: Consumption | | 689.66 | 860.50 | 930.00 | 1 043.50 | 1 043.50 | 1 043.50 | 8.0% | 1 126.98 | 1 217.14 | 1 314.51 |
| Water: Basic Levy | | 44.13 | 47.66 | 51.50 | 56.55 | 56.55 | 56.55 | 8.0% | 61.07 | 65.96 | 71.24 |
| Water: Consumption | | 204.26 | 221.28 | 240.00 | 263.52 | 263.52 | 263.52 | 8.0% | 284.60 | 307.37 | 331.96 |
| Solidite | | 240.00 | 254.40 | 219.60 | 85.45 | 85.45 | 85.45 | 8.0% | 92.29 | 99.67 | 107.64 |
| Rubbish removal | | 88.31 | 97.14 | 107.00 | 117.97 | 117.97 | 117.97 | 9.5% | 129.18 | 141.77 | 155.24 |
| sub-total | | 1 737.26 | 1 856.42 | 1 855.16 | 1 236.78 | 1 235.78 | 1 236.78 | 7.5% | 1 580.38 | 2 136.78 | 2 306.27 |
| Total large household bill: | | 1 737.26 | 1 856.42 | 1 855.16 | 1 236.78 | 1 235.78 | 1 236.78 | 7.5% | 1 580.38 | 2 136.78 | 2 306.27 |
| % increase/decrease | | | | | 12.6% | (0.1%) | - | - | 7.5% | 7.5% | 7.5% |
| Monthly Account for Household - Affordable | 2 | | | | | | | | | | |
| Rates and services charges: | | | | | | | | | | | |
| Property rates | | 18.82 | 39.49 | 290.75 | 182.08 | 182.08 | 182.08 | 6.5% | 193.92 | 206.52 | 219.94 |
| Electricity: Basic Levy | | - | 105.96 | - | | | | | | | |
| Electricity: Consumption | | 370.86 | 364.61 | 385.00 | 444.50 | 444.50 | 444.50 | 8.0% | 480.06 | 518.46 | 559.94 |
| Water: Basic Levy | | - | 47.66 | 51.50 | 56.36 | 56.36 | 56.36 | 8.0% | 60.86 | 65.73 | 70.99 |
| Water: Consumption | | 162.26 | 175.29 | 190.00 | 208.62 | 208.62 | 208.62 | 8.0% | 225.31 | 243.33 | 262.80 |
| Solidite | | 152.00 | 235.40 | 173.85 | 85.45 | 85.45 | 85.45 | 8.0% | 92.29 | 99.67 | 107.64 |
| Rubbish removal | | 28.31 | 98.04 | 107.00 | 117.97 | 117.97 | 117.97 | 9.5% | 129.18 | 141.77 | 155.24 |
| sub-total | | 732.26 | 1 086.45 | 1 106.10 | 1 094.98 | 1 094.98 | 1 094.98 | 7.5% | 1 181.61 | 1 276.40 | 1 376.06 |
| Total small household bill: | | 732.26 | 1 086.45 | 1 106.10 | 1 094.98 | 1 094.98 | 1 094.98 | 7.5% | 1 181.61 | 1 276.40 | 1 376.06 |
| % increase/decrease | | | | | 46.6% | 12.3% | (6.6%) | - | - | 7.5% | 7.5% |
| 7.5% | | | | | -0.73 | -1.79 | -1.89 | - | - | - | - |
| Monthly Account for Household - Indigent | 3 | | | | | | | | | | |
| Rates and services charges: | | | | | | | | | | | |
| Property rates | | 18.82 | 19.40 | 174.45 | 185.79 | 185.79 | 185.79 | 6.5% | 101.58 | 108.18 | 115.21 |
| Electricity: Consumption | | 44.68 | 36.62 | 31.50 | - | - | - | 8.0% | 268.92 | 290.43 | 313.67 |
| Water: Basic Levy | | - | - | - | - | - | - | 8.0% | - | - | - |
| Water: Consumption | | - | - | 140.00 | 154.32 | 154.32 | 154.32 | 8.0% | 166.00 | 179.28 | 193.62 |
| Solidite | | 88.31 | 97.14 | 128.10 | 141.20 | 141.20 | 141.20 | 8.0% | - | - | - |
| Rubbish removal | | - | - | - | - | - | - | 9.5% | - | - | - |
| sub-total | | 151.81 | 162.16 | 474.05 | 481.30 | 481.30 | 481.30 | 11.5% | 536.60 | 577.88 | 622.60 |
| VAT on Services | | | | | 18.62 | | | | | | |
| Total small household bill: | | 170.43 | 162.16 | 474.05 | 481.30 | 481.30 | 481.30 | 11.5% | 536.60 | 577.88 | 622.60 |
| % increase/decrease | | | | | (10.1%) | 20.6% | 1.5% | - | - | 11.5% | 7.7% |
| 7.7% | | | | | | | | | | | |

| MP322 Mbombela - Supporting Table S4/5 Investment particulars by type | | | | | | | | | | | |
|---|----------|---------------|---------------|---------------|----------------------|---------------|---------------|---|---------------|---------------|------------|
| Investment type | Ref | 2009/10 | 2010/11 | 2011/12 | Current Year 2012/13 | | | 2013/14 Medium Term Revenue & Expenditure | | | R thousand |
| | | Audited | Audited | Audited | Original | Adjusted | Full Year | Budget Year | Budget Year | Budget Year | |
| Parent municipality | | | | | | | | | | | |
| Deposits - Bank | | 22 118 | 22 987 | 13 904 | 13 904 | 13 904 | 13 904 | 43 300 | 45 325 | 47 446 | |
| Municipality sub-total | 1 | 22 118 | 22 987 | 13 904 | 13 904 | 13 904 | 13 904 | 43 300 | 45 325 | 47 446 | |
| Consolidated total: | | 22 118 | 22 987 | 13 904 | 13 904 | 13 904 | 13 904 | 43 300 | 45 325 | 47 446 | |

| MP322 Mbombela - Supporting Table SA17 Borrowing | | | | | | | | | | |
|--|-----|---------|---------|---------|----------------------|----------|-----------|---|-------------|-------------|
| Borrowing - Categorised by type | Ref | 2009/10 | 2010/11 | 2011/12 | Current Year 2012/13 | | | 2013/14 Medium Term Revenue & Budget Year | | |
| R thousand | | Audited | Audited | Audited | Original | Adjusted | Full Year | Budget Year | Budget Year | Budget Year |
| Parent municipality | | | | | | | | | | |
| Long-Term Loans (annuity/reducing balance) | | 57 973 | 188 834 | 218 276 | 218 276 | 218 276 | 218 276 | 208 886 | 199 683 | 189 289 |
| Long-Term Loans (non-annuity) | | | - | - | - | - | - | - | - | - |
| Local registered stock | | 11 903 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 |
| Instalment Credit | | 11 900 | | | | | | | | |
| Municipality sub-total | 1 | 81 776 | 188 837 | 218 279 | 218 279 | 218 279 | 218 279 | 208 889 | 199 686 | 189 292 |
| Total Borrowing | 1 | 81 776 | 188 837 | 218 279 | 218 279 | 218 279 | 218 279 | 208 889 | 199 686 | 189 292 |

| MP322 Mbombela - Supporting Table SA16 Investment particulars by maturity | | | | | | | | | | |
|---|----------|----------------------|---------------------------|---------|-------------|---------------|------------|------------|--------------------------|---------------|
| Investment by Maturity | Ref | Period of Investment | Type of Investment | Capital | Variable or | Interest Rate | Commission | Commission | Epiry date of Investment | Maturity |
| Name of Institution & Investment ID | 1 | Ten Months | | | | | | | | Rand thousand |
| Parent municipality | | | | | | | | | | |
| NEDCOR | | 10 Years | Sinking Fund | No | Variable | 4.7 | 0 | 0 | 30 September 2016 | 14 110 |
| ABSA | | 3 Months | Short Term | No | Variable | 5.5 | 0 | 0 | | 200 |
| ABSA | | 20 Years | Sinking Fund / Short Term | No | Variable | 5.3 | 0 | 0 | | 27 055 |
| Municipality sub-total | | | | | | | | | | 41 365 |
| Entity sub-total | | | | | | | | | | - |
| TOTAL INVESTMENTS AND INTEREST | 1 | | | | | | | | | 41 365 |

| MP322 Mbombela - Supporting Table S418 Transfers and grant receipts | | | | | | | | | | | |
|---|----------|----------------|----------------|----------------|----------------------|----------------|----------------|---|----------------|----------------|--|
| Description | Ref | 2009/10 | 2010/11 | 2011/12 | Current Year 2012/13 | | | 2013/14 Medium Term Revenue & Budget Year | | | |
| R thousand | | Audited | Audited | Audited | Original | Adjusted | Full Year | Budget Year | Budget Year | Budget Year | |
| RECEIPTS: | 1,2 | | | | | | | | | | |
| Operating Transfers and Grants | | | | | | | | | | | |
| National Government | | 200 064 | 320 683 | 375 143 | 323 561 | 323 561 | 323 561 | 366 860 | 406 723 | 400 328 | |
| Local Government Equitable Share | | 198 406 | 247 675 | 279 162 | 312 298 | 312 298 | 312 298 | 342 190 | 388 559 | 460 251 | |
| Municipal Systems Improvement | | 742 | 791 | 1 119 | 800 | 800 | 800 | 1 550 | 1 600 | 1 650 | |
| Finance Management | | 916 | 1 188 | 1 516 | 1 500 | 1 500 | 1 500 | 890 | 934 | 967 | |
| Water Services Operating Subsidy | | - | 15 207 | 14 650 | 6 009 | 6 009 | 6 009 | 9 180 | 10 630 | 10 455 | |
| Integrated National Electrification Programme | | - | 11 408 | 3 061 | | | | 8 050 | 5 000 | 15 000 | |
| EPWP Incentive | | - | 1 202 | 4 515 | 2 954 | 2 954 | 2 954 | 5 000 | - | 2 005 | |
| 2010 World Cup Host City, Expanded PNP Incentive | | - | 43 213 | 71 121 | | | | | | | |
| Provincial Government | | 940 | - | - | - | - | - | - | - | - | |
| SETA | | 940 | | | | | | | | | |
| District Municipality: | | - | - | - | - | - | - | - | - | - | |
| Total Operating Transfers and Grants | 5 | 201 064 | 320 683 | 375 143 | 323 561 | 323 561 | 323 561 | 366 860 | 406 723 | 400 328 | |
| Capital Transfers and Grants | | | | | | | | | | | |
| National Government | | 287 938 | 119 477 | 89 372 | 286 765 | 286 765 | 286 765 | 379 281 | 500 617 | 448 787 | |
| Municipal Infrastructure Grant (MIG) | | 136 093 | 71 921 | 81 610 | 188 062 | 188 062 | 188 062 | 241 164 | 286 275 | 310 268 | |
| Public Transport and Systems | | 75 833 | 4 444 | | 98 703 | 98 703 | 98 703 | 123 762 | 195 191 | 100 217 | |
| Neighbourhood Development Partnership | | 35 | 6 064 | 4 240 | | | | 5 000 | | | |
| Integrated National Electrification & Elec Demand Side | | 55 714 | 8 744 | | | | | | | | |
| Water Affairs | | 19 923 | 28 303 | 3 521 | | | | 9 355 | 19 151 | 38 302 | |
| Provincial Government | | - | 2 556 | 6 | - | - | - | - | - | - | |
| Other capital transfers/grants [insert description] | | | 2 556 | 6 | | | | | | | |
| Other grant providers: | | - | - | 134 | - | - | - | - | - | - | |
| [insert description] | | | | 134 | | | | | | | |
| Total Capital Transfers and Grants | 5 | 287 938 | 122 033 | 89 511 | 286 765 | 286 765 | 286 765 | 379 281 | 500 617 | 448 787 | |
| TOTAL RECEIPTS OF TRANSFERS & GRANTS | | 488 802 | 442 716 | 464 654 | 610 326 | 610 326 | 610 326 | 746 141 | 907 340 | 939 115 | |

| MP322 Mbombela - Supporting Table SA19 Expenditure on transfers and grant programme | | | | | | | | | | | |
|---|-----|----------------|----------------|----------------|----------------------|----------------|----------------|---|----------------|----------------|--|
| Description | Ref | 2009/10 | 2010/11 | 2011/12 | Current Year 2012/13 | | | 2013/14 Medium Term Revenue & Budget Year | | | |
| R thousand | | Audited | Audited | Audited | Original | Adjusted | Full Year | Budget Year | Budget Year | Budget Year | |
| EXPENDITURE: | 1 | | | | | | | | | | |
| Operating expenditure of Transfers and Grants | | | | | | | | | | | |
| National Government | | 200 064 | 222 654 | 375 143 | 323 561 | 323 561 | 323 561 | 366 860 | 406 723 | 430 323 | |
| Local Government Equitable Share | | 198 406 | 247 675 | 279 162 | 312 298 | 312 298 | 312 298 | 342 190 | 388 559 | 460 251 | |
| Municipal Systems Improvement | | 742 | 791 | 1 119 | 800 | 800 | 800 | 1 550 | 1 600 | 1 650 | |
| Finance Management | | 916 | 1 188 | 1 516 | 1 500 | 1 500 | 1 500 | 890 | 934 | 967 | |
| Water Services Operating Subsidy | | | 15 207 | 14 650 | 6 009 | 6 009 | 6 009 | 9 180 | 10 630 | 10 455 | |
| Integrated National Electrification Programme | | | | 11 408 | 3 061 | | | 8 050 | 5 000 | 15 000 | |
| EPWP Incentive | | | | | 1 202 | 4 515 | 2 954 | 2 954 | 5 000 | 2 005 | |
| 2010 World Cup Host City, Expanded PWP Incentive | | - | | 5 184 | 71 121 | | | | | | |
| Provincial Government: | | 940 | 2 954 | - | - | - | - | - | - | - | |
| Housing | | | | 2 954 | | | | | | | |
| SETA | | 940 | | | | | | | | | |
| Other grant providers: | | - | 926 | - | - | - | - | - | - | - | |
| [insert description] | | | 926 | | | | | | | | |
| Total operating expenditure of Transfers and Grants: | | 201 004 | 236 534 | 375 143 | 323 561 | 323 561 | 323 561 | 366 860 | 406 723 | 430 323 | |
| Capital expenditure of Transfers and Grants | | | | | | | | | | | |
| National Government | | 267 593 | 149 328 | 89 372 | 286 765 | 286 765 | 286 765 | 379 281 | 500 617 | 448 787 | |
| Municipal Infrastructure Grant (MIG) | | 136 093 | 88 242 | 81 610 | 188 062 | 188 062 | 188 062 | 241 164 | 286 275 | 310 268 | |
| Public Transport and Systems | | 75 833 | 18 475 | | 98 703 | 98 703 | 98 703 | 123 762 | 195 191 | 100 217 | |
| Neighbourhood Development Partnership | | 35 | 6 064 | 4 240 | | | | 5 000 | | | |
| Integrated National Electrification & Elec Demand Side | | 55 714 | 8 744 | | | | | | | | |
| Water Affairs | | 19 923 | 28 303 | 3 521 | | | | 9 355 | 19 151 | 38 302 | |
| Provincial Government: | | - | - | 6 | - | - | - | - | - | - | |
| Other capital transfers/grants [insert description] | | | | 6 | | | | | | | |
| Other grant providers: | | - | - | 134 | - | - | - | - | - | - | |
| [insert description] | | | | 134 | | | | | | | |
| Total capital expenditure of Transfers and Grants | | 267 593 | 149 328 | 89 511 | 286 765 | 286 765 | 286 765 | 379 281 | 500 617 | 448 787 | |
| TOTAL EXPENDITURE OF TRANSFERS AND GRANTS | | 468 602 | 436 362 | 464 651 | 610 326 | 610 326 | 610 326 | 746 141 | 907 310 | 839 115 | |

| MP322 Mbombela - Supporting Table SA20 Reconciliation of transfers, grant receipts and unspent funds | | | | | | | | | | |
|--|-----|-----------------|-----------------|-----------------|----------------------|-----------------|--------------------|---|------------------------|------------------------|
| Description | Ref | 2009/10 | 2010/11 | 2011/12 | Current Year 2012/13 | | | 2013/14 Medium Term Revenue & Expenditure Framework | | |
| | | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget | Adjusted Budget | Full Year Forecast | Budget Year 2013/14 | Budget Year +1 2014/15 | Budget Year +2 2015/16 |
| R thousand | | | | | | | | | | |
| Operating transfers and grants: | 1,3 | | | | | | | | | |
| National Government: | | | | | | | | | | |
| Balance unspent at beginning of the year | | 7 707 | 14 305 | | | | | | | |
| Current year receipts | | 390 032 | 289 008 | 375 143 | 320 607 | 409 255 | 409 255 | 355 505 | 401 723 | 473 323 |
| Conditions met - transferred to revenue | | 397 739 | 303 313 | 375 143 | 320 607 | 409 255 | 409 255 | 355 505 | 401 723 | 473 323 |
| Provincial Government: | | | | | | | | | | |
| Balance unspent at beginning of the year | | | 4 265 | | | | | | | |
| Current year receipts | | | 2 954 | | | | | | | |
| Conditions met - transferred to revenue | | - | 7 218 | - | - | - | - | - | - | - |
| Balance unspent at beginning of the year | | | 1 131 | | | | | | | |
| Current year receipts | | | 9 020 | | | | | | | |
| Conditions met - transferred to revenue | | - | 10 151 | - | - | - | - | - | - | - |
| Total operating transfers and grants revenue | | 397 739 | 320 603 | 375 143 | 320 607 | 409 255 | 409 255 | 355 505 | 401 723 | 473 323 |
| Total operating transfers and grants - CTBH | 2 | - | - | - | - | - | - | - | - | - |
| Capital transfers and grants: | 1,3 | | | | | | | | | |
| National Government: | | | | | | | | | | |
| Balance unspent at beginning of the year | | 129 926 | 21 857 | | | | | | | |
| Current year receipts | | 454 637 | 106 820 | 89 511 | 321 281 | 314 662 | 314 662 | 336 199 | 426 194 | 389 913 |
| Conditions met - transferred to revenue | | 584 563 | 128 676 | 89 511 | 321 281 | 314 662 | 314 662 | 336 199 | 426 194 | 389 913 |
| Total capital transfers and grants revenue | | 584 563 | 128 676 | 89 511 | 321 281 | 314 662 | 314 662 | 336 199 | 426 194 | 389 913 |
| Total capital transfers and grants - CTBH | 2 | - | - | - | - | - | - | - | - | - |
| TOTAL TRANSFERS AND GRANTS REVENUE | | 562 302 | 449 359 | 461 651 | 641 888 | 723 917 | 723 917 | 681 704 | 827 917 | 863 236 |

| MP322 Mbombela - Supporting Table SA21 Transfers and grants made by the municipality | | | | | | | | | 2013/14 Medium Term Revenue & Expenditure Framework | | |
|--|-----|-----------------|-----------------|-----------------|----------------------|-----------------|--------------------|-------------------|---|-------------|-------------|
| Description | Ref | 2009/10 | 2010/11 | 2011/12 | Current Year 2012/13 | | | | Budget Year | Budget Year | Budget Year |
| R thousand | | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget | Adjusted Budget | Full Year Forecast | Pre-audit outcome | 2013/14 | +1 2014/15 | +2 2015/16 |
| Groups of individuals | | | | | | | | | | | |
| Equitable Share | 5 | | | | - | 20 150 | 20 150 | 20 150 | 22 313 | 23 652 | 25 071 |
| Water Tankers | | | | | | | | | 22 892 | 24 320 | 25 990 |
| Total Non-Cash Grants To Groups Of Individuals: | | - | - | - | - | 20 150 | 20 150 | 20 150 | 46 006 | 47 922 | 51 061 |
| TOTAL NON-CASH TRANSFERS AND GRANTS | | - | - | - | - | 20 150 | 20 150 | 20 150 | 46 006 | 47 922 | 51 061 |
| TOTAL TRANSFERS AND GRANTS | 6 | - | - | - | - | 20 150 | 20 150 | 20 150 | 46 006 | 47 922 | 51 061 |

| MP322 Mbombela - Supporting Table SA22 Summary councillor and staff benefits | | | | | | | | | 2013/14 Medium Term Revenue & Expenditure Framework | | |
|--|---|----------------|-----------------|-----------------|-----------------|----------------------|-----------------|--------------------|---|----------------|-------------|
| Summary of Employee and Councillor remuneration | | Ref | 2009/10 | 2010/11 | 2011/12 | Current Year 2012/13 | | | Budget Year | Budget Year | Budget Year |
| R thousand | | | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget | Adjusted Budget | Full Year Forecast | 2013/14 | +1 2014/15 | +2 2015/16 |
| 1 | A | B | C | D | E | F | G | H | I | | |
| Councillors (Political Office Bearers plus Other) | | | | | | | | | | | |
| Basic Salaries and Wages | | 9 546 | 10 391 | 11 322 | 12 462 | 12 462 | 12 462 | 13 647 | 14 352 | 15 046 | |
| Pension and UIF Contributions | | 1 348 | 1 488 | 1 696 | 1 924 | 1 924 | 1 924 | 2 116 | 2 222 | 2 333 | |
| Medical Aid Contributions | | 329 | 326 | 372 | 234 | 234 | 234 | 258 | 271 | 284 | |
| Motor Vehicle Allowance | | 3 538 | 3 834 | 4 370 | 4 460 | 4 460 | 4 460 | 4 906 | 5 151 | 5 409 | |
| Cellphone Allowance | | 830 | 913 | 1 041 | 1 031 | 1 031 | 1 031 | 1 134 | 1 190 | 1 250 | |
| Other benefits and allowances | | 13 | - | - | - | - | - | - | - | - | |
| Sub Total - Councillors | | 15 604 | 16 632 | 19 302 | 20 111 | 20 111 | 20 111 | 22 061 | 23 106 | 24 322 | |
| % Increase | 4 | | 8.6% | 13.9% | 4.2% | - | - | 9.7% | 5.1% | 4.9% | |
| Senior Managers of the Municipality | | | | | | | | | | | |
| Basic Salaries and Wages | | 2 825 | 3 213 | 3 406 | 4 632 | 4 632 | 4 632 | 5 049 | 5 655 | 6 107 | |
| Pension and UIF Contributions | | 590 | 714 | 757 | 1 046 | 1 046 | 1 046 | 1 141 | 1 278 | 1 380 | |
| Medical Aid Contributions | | 152 | 157 | 167 | 167 | 167 | 167 | 182 | 204 | 220 | |
| Performance Bonus | | - | - | - | 500 | 500 | 500 | 545 | 610 | 659 | |
| Motor Vehicle Allowance | 3 | 645 | 599 | 635 | 1 190 | 1 190 | 1 190 | 1 297 | 1 453 | 1 569 | |
| Cellphone Allowance | 3 | 41 | 78 | 82 | 217 | 217 | 217 | 236 | 265 | 286 | |
| Other benefits and allowances | 3 | 70 | 178 | 189 | - | - | - | - | - | - | |
| Sub Total - Senior Managers of Municipality | | 4 323 | 4 039 | 5 205 | 7 752 | 7 752 | 7 752 | 8 450 | 9 464 | 10 221 | |
| % Increase | 4 | | 14.3% | 6.0% | 48.1% | 0.0% | 0.0% | 9.0% | 12.0% | 8.0% | |
| Other Municipal Staff | | | | | | | | | | | |
| Basic Salaries and Wages | | 184 742 | 221 537 | 216 857 | 253 745 | 253 745 | 253 745 | 274 649 | 306 850 | 332 400 | |
| Pension and UIF Contributions | | 34 759 | 44 081 | 46 726 | 60 077 | 60 077 | 60 077 | 65 484 | 73 343 | 79 210 | |
| Medical Aid Contributions | | 11 310 | 13 614 | 14 431 | 20 355 | 20 355 | 20 355 | 22 187 | 24 849 | 26 837 | |
| Overtime | | 19 574 | 32 542 | 34 494 | 21 551 | 21 551 | 21 551 | 23 491 | 26 310 | 28 414 | |
| Motor Vehicle Allowance | 3 | 14 149 | 15 167 | 16 077 | 20 347 | 20 347 | 20 347 | 22 178 | 24 839 | 26 827 | |
| Cellphone Allowance | 3 | 527 | 823 | 872 | 2 078 | 2 078 | 2 078 | 2 265 | 2 537 | 2 740 | |
| Housing Allowances | 3 | 2 432 | 2 478 | 2 626 | 3 246 | 3 246 | 3 246 | 3 538 | 3 962 | 4 279 | |
| Other benefits and allowances | 3 | 17 584 | 2 929 | 3 104 | 27 010 | 27 010 | 27 010 | 29 441 | 32 974 | 35 612 | |
| Payments in lieu of leave | | 4 995 | 2 944 | 3 121 | 4 000 | 4 000 | 4 000 | 4 360 | 4 883 | 5 274 | |
| Long service awards | | 833 | 844 | 895 | 575 | 575 | 575 | 627 | 702 | 758 | |
| Post-retirement benefit obligations | 6 | 12 314 | 27 054 | 28 677 | 10 662 | 10 662 | 10 662 | 11 622 | 13 016 | 14 057 | |
| Sub Total - Other Municipal Staff | | 303 219 | 361 012 | 367 331 | 423 647 | 423 647 | 423 647 | 459 311 | 514 266 | 536 409 | |
| % Increase | 4 | | 20.0% | 1.1% | 15.2% | (0.0%) | (0.0%) | 9.3% | 11.3% | 8.2% | |

MP322 Mbombela - Supporting Table SA23 Salaries, allowances & benefits (political office bearers/councillors)

| Disclosure of Salaries, Allowances & Benefits 1. | Ref | Salary | Contribution | Allowances | Performance Bonuses | Total Package |
|--|-------------|-------------------|------------------|------------------|---------------------|-------------------|
| | | \$ | 1. | | | 2. |
| Rand per annum | | | 1. | | | 2. |
| Councillors | 3 | | | | | |
| Speaker | 4 | 420 414 | 343 774 | 79 029 | | 843 217 |
| Chief Whip | | 335 684 | 331 669 | 138 156 | | 805 509 |
| Executive Mayor | | 453 154 | 348 450 | 196 958 | | 998 562 |
| Deputy Executive Mayor | | - | - | - | | - |
| Executive Committee | | 3 107 077 | 780 012 | 1 243 403 | | 5 130 492 |
| Total for all other councillors | | 8 769 044 | 1 681 234 | 3 832 923 | | 14 283 201 |
| Total Councillors | 8 | 13 085 372 | 3 485 139 | 5 490 469 | | 22 060 980 |
| Senior Managers of the Municipality | 5 | | | | | |
| Municipal Manager (MM) | | 827 845 | 187 480 | 364 607 | - | 1 379 932 |
| Chief Finance Officer | | 805 808 | 205 021 | 104 372 | 131 433 | 1 246 634 |
| List of each official with packages >= senior manager | | | | | | |
| Deputy Municipal Manager | | 751 800 | 196 250 | 187 834 | 135 066 | 1 270 950 |
| General Manager: Corporate Services | | 630 230 | 161 261 | 193 500 | - | 984 991 |
| General Manager: Community Services | | 630 230 | 161 261 | 193 500 | 116 750 | 1 101 741 |
| General Manager : Technical Services | | 677 711 | 141 117 | 169 248 | 116 750 | 1 104 826 |
| General Manager: Office of Council | | 630 230 | 161 261 | 193 500 | - | 984 991 |
| General Manager: Plan, Performance, Monitoring & evaluation | | 630 230 | 161 261 | 193 500 | | 984 991 |
| General Manager: Municipal Development & Planning | | 630 230 | 161 261 | 193 500 | | 984 991 |
| Total Senior Managers of the Municipality | 8,10 | 6 214 313 | 1 536 173 | 1 793 561 | 499 999 | 10 044 046 |
| TOTAL COST OF COUNCILLOR, DIRECTOR and EXECUTIVE REMUNERATION | 10 | 19 299 685 | 5 021 312 | 7 284 030 | 499 999 | 32 105 026 |

| MP322 Mbombela - Supporting Table SA24 Summary of personnel numbers | | | | | | | | | | | |
|---|----------|--------------|---------------------|--------------------|--------------|----------------------|--------------------|--------------|---------------------|--------------------|--|
| Summary of Personnel Numbers | | Ref | 2011/12 | | | Current Year 2012/13 | | | Budget Year 2013/14 | | |
| Number | 1,2 | Positions | Permanent employees | Contract employees | Positions | Permanent employees | Contract employees | Positions | Permanent employees | Contract employees | |
| Municipal Council and Boards of Municipal Entities | | | | | | | | | | | |
| Councilors (Political Office Bearers plus Other Councilors) | | 78 | - | 78 | 78 | - | 78 | 78 | - | 78 | |
| Municipal employees | 5 | 1 662 | 1 655 | 7 | 1 662 | 1 655 | 7 | 1 662 | 1 655 | 7 | |
| Municipal Manager and Senior Managers | 3 | 6 | - | 6 | 9 | - | 6 | 9 | - | 6 | |
| Other Managers | 7 | 72 | 62 | 5 | 72 | 62 | 5 | 72 | 62 | 5 | |
| Professionals | | 1 773 | 1 555 | - | 1 773 | 1 533 | - | 1 773 | 1 533 | - | |
| Finance | | 160 | 138 | | 160 | 141 | | 160 | 141 | | |
| Spatial/Planning | | 2 | 1 | | 2 | 1 | | 2 | 1 | | |
| Information Technology | | 1 | 1 | | 1 | 1 | | 1 | 1 | | |
| Roads | | 276 | 244 | | 276 | 240 | | 276 | 240 | | |
| Electricity | | 121 | 106 | | 121 | 96 | | 121 | 96 | | |
| Water | | 196 | 174 | | 196 | 163 | | 196 | 163 | | |
| Refuse | | 294 | 269 | | 294 | 265 | | 294 | 265 | | |
| Other | | 723 | 642 | | 723 | 626 | | 723 | 626 | | |
| TOTAL PERSONNEL NUMBERS | 9 | 3 591 | 3 292 | 96 | 3 594 | 3 250 | 96 | 3 591 | 3 250 | 96 | |
| % increase | | | | | 0.1% | (1.3%) | - | - | - | - | |
| Total municipal employees headcount | 6,10 | 1 662 | 1 655 | 7 | 1 662 | 1 655 | 7 | 1 662 | 1 655 | 7 | |
| Finance personnel headcount | 8,10 | 154 | 151 | 3 | 154 | 151 | 3 | 154 | 151 | 3 | |
| Human Resources personnel headcount | 8,10 | 72 | 62 | 5 | 72 | 62 | 5 | 72 | 62 | 5 | |

MP322 Mbombela - Supporting Table SA25 Budgeted monthly revenue and expenditure

| Description R thousand | Ref | Budget Year 2013/14 | | | | | | | | | | | | Medium Term Revenue and Expenditure Framework | | | |
|--|-----|---------------------|---------|----------|---------|----------|----------|----------|----------|---------|----------|-----------|---------|---|---------------------------|---------------------------|---------|
| | | July | August | Sept. | October | November | December | January | February | March | April | May | June | Budget Year 2013/14 | Budget Year +1 2014/15 | Budget Year +2 2015/16 | |
| Revenue By Source | | | | | | | | | | | | | | | | | |
| Property rates | | 25,307 | 23,057 | 23,338 | 23,057 | 23,057 | 22,776 | 23,057 | 23,620 | 24,182 | 24,182 | 24,463 | 45,785 | 305,881 | 337,153 | 373,338 | |
| Property rates - penalties & collection charges | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | |
| Service charges - electricity revenue | | 50,860 | 46,339 | 46,904 | 46,339 | 46,339 | 45,774 | 46,339 | 47,469 | 48,599 | 48,599 | 49,164 | 93,001 | 615,726 | 679,984 | 759,052 | |
| Service charges - water revenue | | 2,599 | 2,368 | 2,397 | 2,368 | 2,368 | 2,339 | 2,368 | 2,426 | 2,483 | 2,483 | 2,512 | 4,860 | 31,570 | 34,824 | 38,506 | |
| Service charges - sanitation revenue | | 1,542 | 1,405 | 1,422 | 1,405 | 1,405 | 1,388 | 1,405 | 1,439 | 1,474 | 1,474 | 1,491 | 1,514 | 17,364 | 19,169 | 21,218 | |
| Service charges - refuse revenue | | 5,203 | 4,741 | 4,798 | 4,741 | 4,741 | 4,683 | 4,741 | 4,856 | 4,972 | 4,972 | 5,030 | 11,800 | 65,277 | 73,057 | 82,127 | |
| Service charges - other | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | |
| Rental of facilities and equipment | | 192 | 218 | 197 | 275 | 10,997 | 298 | 298 | 527 | 2,978 | 481 | 275 | 1,787 | 18,523 | 20,746 | 23,235 | |
| Interest earned - external investments | | 3 | - | - | 1,204 | 3 | - | 903 | 1,075 | - | - | 575 | 1,795 | 5,559 | 6,226 | 6,973 | |
| Interest earned - outstanding debtors | | 1,632 | 1,504 | 1,430 | 990 | 1,339 | 1,119 | 2,567 | 2,292 | 1,779 | 1,852 | 1,302 | 6,939 | 24,747 | 27,716 | 31,042 | |
| Dividends received | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | |
| Fines | | 228 | 348 | 180 | 191 | 206 | 273 | 195 | 243 | 131 | 318 | 187 | 1,082 | 3,582 | 4,012 | 4,493 | |
| Licences and permits | | 8 | 8 | 6 | 9 | 1 | 2 | 7 | 9 | 4 | 6 | 1 | (16) | 44 | 50 | 56 | |
| Agency services | | - | - | - | - | 24,935 | - | 20,260 | 7,558 | 7,325 | 4,987 | 10,441 | 31,148 | 106,653 | 119,452 | 133,786 | |
| Transfers recognised - operational | | 102,594 | - | - | 3,527 | - | 80,152 | 3,847 | 3,847 | 70,534 | - | - | 91,004 | 355,505 | 401,723 | 473,323 | |
| Other revenue | | 6,965 | 39,139 | 6,634 | 23,882 | 53,070 | 19,238 | 7,629 | 102,824 | 13,268 | 13,931 | 16,916 | 107,988 | 411,483 | 530,366 | 493,511 | |
| Gains on disposal of PPE | | - | - | - | - | - | - | - | - | - | - | - | 2,500 | 2,500 | 1,400 | 1,568 | |
| Total Revenue (excluding capital transfers and cont | | 197,133 | 119,126 | 87,306 | 107,987 | 168,460 | 178,040 | 113,615 | 198,186 | 177,728 | 103,285 | 112,358 | 401,188 | 1,964,414 | 2,255,876 | 2,442,228 | |
| Expenditure By Type | | | | | | | | | | | | | | | | | |
| Employee related costs | | 29,767 | 33,218 | 34,512 | 33,218 | 34,512 | 36,238 | 37,532 | 40,120 | 40,120 | 36,238 | 40,552 | 72,266 | 468,291 | 523,730 | 566,630 | |
| Remuneration of councillors | | 1,508 | 1,508 | 1,569 | 1,569 | 1,549 | 1,569 | 2,112 | 1,649 | 1,629 | 1,669 | 1,629 | 4,102 | 22,061 | 23,186 | 24,322 | |
| Debt impairment | | - | - | - | - | - | - | 43,325 | - | - | - | - | 29,182 | 72,507 | 68,651 | 76,454 | |
| Depreciation & asset impairment | | - | - | - | - | - | - | - | - | - | - | - | 232,113 | 59,036 | 291,149 | 323,798 | 365,641 |
| Finance charges | | 84 | 2,614 | 422 | 84 | 548 | 10,964 | 2,867 | 2,910 | 2,994 | 1,265 | 590 | 22,996 | 48,339 | 46,331 | 51,079 | |
| Bulk purchases | | 26,917 | 61,526 | 49,990 | 23,841 | 28,071 | 3,461 | 24,610 | 22,688 | 28,071 | 32,685 | 27,302 | 88,852 | 418,014 | 456,111 | 497,681 | |
| Other materials | | 1,282 | 1,611 | 1,203 | 1,794 | 1,827 | 1,926 | 1,334 | 1,301 | 1,616 | 2,466 | 2,005 | 24,713 | 43,080 | 46,568 | 50,174 | |
| Contracted services | | 2,158 | 3,471 | 3,379 | 4,027 | 3,488 | 4,927 | 7,733 | 9,891 | 9,782 | 12,768 | 11,689 | 9,240 | 82,554 | 88,478 | 94,551 | |
| Transfers and grants | | - | - | - | - | - | - | - | - | - | - | - | 45,005 | 45,005 | 47,972 | 51,061 | |
| Other expenditure | | 2,577 | 24,144 | 27,913 | 36,748 | 26,103 | 37,821 | 19,233 | 31,809 | 23,618 | 55,245 | 53,956 | 10,579 | 349,746 | 370,548 | 391,644 | |
| Loss on disposal of PPE | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | |
| Total Expenditure | | 64,293 | 128,092 | 118,986 | 101,281 | 96,098 | 96,904 | 138,746 | 110,368 | 107,831 | 142,336 | 369,837 | 365,970 | 1,840,745 | 1,995,373 | 2,169,236 | |
| Surplus/(Deficit) | | 132,840 | (8,965) | (31,680) | 6,706 | 72,362 | 81,136 | (25,131) | 87,818 | 69,897 | (39,051) | (257,479) | 35,217 | 123,669 | 260,503 | 272,992 | |
| Transfers recognised - capital | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | |
| Contributions recognised - capital | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | |
| Contributed assets | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | |
| Surplus/(Deficit) after capital transfers & contributions | | 132,840 | (8,965) | (31,680) | 6,706 | 72,362 | 81,136 | (25,131) | 87,818 | 69,897 | (39,051) | (257,479) | 35,217 | 123,669 | 260,503 | 272,992 | |
| Taxation | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | |
| Attributable to minorities | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | |
| Share of surplus/ (deficit) of associate | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | |
| Surplus/(Deficit) | 1 | 132,840 | (8,965) | (31,680) | 6,706 | 72,362 | 81,136 | (25,131) | 87,818 | 69,897 | (39,051) | (257,479) | 35,217 | 123,669 | 260,503 | 272,992 | |

MP322 Mbombela - Supporting Table SA26 Budgeted monthly revenue and expenditure (municipal vote)

| Description R thousand | Ref | Budget Year 2013/14 | | | | | | | | | | | | Medium Term Revenue and Expenditure Framework | | |
|---|-----|---------------------|----------|---------|----------|----------|----------|----------|----------|---------|-----------|----------|---------|---|---------------------------|---------------------------|
| | | July | August | Sept. | October | November | December | January | February | March | April | May | June | Budget Year 2013/14 | Budget Year +1 2014/15 | Budget Year +2 2015/16 |
| <u>Revenue by Vote</u> | | | | | | | | | | | | | | | | |
| COUNCIL | | | | | | | | | | | | | | - | - | - |
| OFFICE OF COUNCIL | | | | | | | | | | | | | | 0 | 7 | 8 |
| OFFICE OF THE CHIEF WHIP | | | | | | | | | | | | | | - | - | - |
| PLANNING, PERFORMANCE & MONITORING | | | | | | | | | | | | | | - | - | - |
| OFFICE OF THE MUNICIPAL MANAGER | | | | | | | | | | | | | | - | - | - |
| OFFICE OF THE DEPUTY MUNICIPAL MANAGER | | | | | | | | | | | | | | - | - | - |
| FINANCIAL SERVICES | | 195,431 | 28,849 | 139,594 | 42,809 | 31,641 | 176,819 | 37,225 | 32,572 | 139,594 | 33,502 | 32,107 | 180,038 | 1,070,180 | 1,230,508 | 1,333,883 |
| TRANSVERSAL SERVICES | | | | | | | | | | | | | | - | - | - |
| CORPORATE SERVICES | | | 251 | 35 | 58 | 65 | 78 | 58 | 95 | 85 | 94 | 102 | 165 | 1,087 | 1,246 | 1,347 |
| COMMUNITY SERVICES | | 40,506 | 5,460 | 5,812 | 8,101 | 5,988 | 33,462 | 7,045 | 6,164 | 26,417 | 6,340 | 6,076 | 38,833 | 190,203 | 218,163 | 235,834 |
| MUNICIPAL PLANNING & DEVELOPMENT | | 1,243 | 168 | 178 | 249 | 184 | 1,027 | 216 | 189 | 811 | 195 | 187 | 1,192 | 5,838 | 6,697 | 7,239 |
| TECHNICAL SERVICES | | 143,592 | 19,354 | 20,602 | 28,718 | 21,227 | 118,619 | 24,973 | 21,851 | 93,647 | 22,475 | 21,539 | 160,503 | 697,099 | 799,254 | 863,917 |
| 0 | | | | | | | | | | | | | | - | - | - |
| 0 | | | | | | | | | | | | | | - | - | - |
| 0 | | | | | | | | | | | | | | - | - | - |
| Total Revenue by Vote | | 380,772 | 54,081 | 166,221 | 79,942 | 59,105 | 330,005 | 69,516 | 60,871 | 260,553 | 62,606 | 60,010 | 380,731 | 1,964,414 | 2,255,876 | 2,442,228 |
| <u>Expenditure by Vote to be appropriated</u> | | | | | | | | | | | | | | | | |
| COUNCIL | | 1,300 | 1,377 | 2,515 | 2,653 | 2,661 | 1,684 | 2,546 | 2,538 | 1,845 | 876 | 469 | 995 | 21,458 | 23,175 | 25,029 |
| OFFICE OF COUNCIL | | 388 | 487 | 1,666 | 1,845 | 1,855 | 1,884 | 1,706 | 1,696 | 1,093 | 1,745 | 1,606 | 1,866 | 17,837 | 19,263 | 20,805 |
| OFFICE OF THE CHIEF WHIP | | | | | | | | | | | | | | - | - | - |
| PLANNING, PERFORMANCE & MONITORING | | 685 | 860 | 1,176 | 2,492 | 1,510 | 1,562 | 1,246 | 2,229 | 2,931 | 1,317 | 3,071 | 2,621 | 21,701 | 23,437 | 25,312 |
| OFFICE OF THE MUNICIPAL MANAGER | | 603 | 757 | 1,035 | 1,313 | 2,329 | 1,375 | 1,097 | 2,081 | 1,699 | 2,159 | 2,942 | 2,220 | 19,610 | 21,179 | 22,873 |
| OFFICE OF THE DEPUTY MUNICIPAL MANAGER | | 38 | 47 | 65 | 82 | 83 | 86 | 168 | 67 | 106 | 172 | 59 | 1,439 | 2,412 | 2,605 | 2,813 |
| FINANCIAL SERVICES | | 11,598 | 16,870 | 17,081 | 17,924 | 18,135 | 18,768 | 14,972 | 14,761 | 23,196 | 15,816 | 12,863 | 31,296 | 213,280 | 232,863 | 260,399 |
| TRANSVERSAL SERVICES | | 438 | 447 | 465 | 482 | 583 | 586 | 568 | 767 | 506 | 272 | 229 | 311 | 5,654 | 6,106 | 6,594 |
| CORPORATE SERVICES | | 2,533 | 3,685 | 4,731 | 3,915 | 5,961 | 4,099 | 3,270 | 4,224 | 5,066 | 4,454 | 4,809 | 4,510 | 51,257 | 55,358 | 59,786 |
| COMMUNITY SERVICES | | 21,681 | 31,536 | 31,930 | 33,507 | 33,901 | 35,084 | 27,988 | 27,594 | 43,362 | 39,565 | 44,046 | 38,352 | 408,549 | 441,233 | 476,531 |
| MUNICIPAL PLANNING & DEVELOPMENT | | 2,685 | 3,860 | 5,176 | 6,492 | 6,510 | 6,562 | 6,246 | 6,229 | 3,931 | 3,317 | 2,071 | 3,689 | 56,768 | 61,310 | 66,214 |
| TECHNICAL SERVICES | | 49,024 | 71,307 | 72,198 | 75,764 | 76,655 | 79,329 | 63,285 | 62,394 | 98,047 | 166,850 | 84,372 | 122,995 | 1,022,220 | 1,108,846 | 1,202,880 |
| 0 | | | | | | | | | | | | | | - | - | - |
| 0 | | | | | | | | | | | | | | - | - | - |
| 0 | | | | | | | | | | | | | | - | - | - |
| Total Expenditure by Vote | | 90,970 | 131,233 | 138,038 | 146,469 | 150,182 | 151,020 | 123,093 | 124,581 | 181,784 | 236,544 | 156,537 | 210,293 | 1,840,745 | 1,995,373 | 2,169,236 |
| Surplus/(Deficit) before assoc. | | 289,802 | (77,152) | 28,183 | (66,528) | (91,077) | 178,985 | (53,577) | (63,710) | 78,769 | (173,937) | (96,528) | 170,438 | 123,669 | 260,503 | 272,992 |
| Taxation | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Attributable to minorities | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Share of surplus/ (deficit) of associate | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Surplus/(Deficit) | 1 | 289,802 | (77,152) | 28,183 | (66,528) | (91,077) | 178,985 | (53,577) | (63,710) | 78,769 | (173,937) | (96,528) | 170,438 | 123,669 | 260,503 | 272,992 |

MP322 Mbombela - Supporting Table SA27 Budgeted monthly revenue and expenditure (standard classification)

| Description R thousand | Ref | Budget Year 2013/14 | | | | | | | | | | | | Medium Term Revenue and Expenditure Framework | | |
|--|---------|---------------------|----------|---------|---------|----------|----------|---------|----------|---------|----------|-----------|-----------|---|---------------------------|---------------------------|
| | | July | August | Sept. | October | November | December | January | February | March | April | May | June | Budget Year 2013/14 | Budget Year +1 2014/15 | Budget Year +2 2015/16 |
| Revenue - Standard | | | | | | | | | | | | | | | | |
| Governance and administration | 195,522 | 28,938 | 139,677 | 42,891 | 31,724 | 176,900 | 37,307 | 32,656 | 139,680 | 33,589 | 32,196 | 191,388 | 1,082,469 | 1,241,592 | 1,342,160 | |
| Executive and council | - | 6 | - | - | - | - | - | - | - | - | - | 0 | 7 | 8 | 8 | |
| Budget and treasury office | 195,431 | 28,849 | 139,594 | 42,809 | 31,641 | 176,819 | 37,225 | 32,572 | 139,594 | 33,502 | 32,107 | 190,027 | 1,080,169 | 1,238,954 | 1,339,309 | |
| Corporate services | 91 | 83 | 84 | 83 | 83 | 81 | 83 | 85 | 87 | 87 | 90 | 1,360 | 2,293 | 2,630 | 2,843 | |
| Community and public safety | 2,218 | 3,226 | 3,266 | 3,427 | 3,468 | 3,589 | 2,863 | 2,823 | 4,436 | 3,024 | 2,460 | 5,249 | 40,048 | 48,947 | 56,615 | |
| Community and social services | 938 | 1,365 | 1,382 | 1,450 | 1,467 | 1,518 | 1,211 | 1,194 | 1,877 | 1,279 | 1,041 | 3,702 | 18,424 | 21,133 | 22,844 | |
| Sport and recreation | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | |
| Public safety | 584 | 850 | 861 | 903 | 914 | 946 | 754 | 744 | 1,169 | 797 | 648 | (1,196) | 7,973 | 12,157 | 16,845 | |
| Housing | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | |
| Health | 695 | 1,011 | 1,024 | 1,074 | 1,087 | 1,125 | 897 | 885 | 1,390 | 948 | 771 | 2,743 | 13,650 | 15,657 | 16,925 | |
| Economic and environmental services | 6,437 | 8,336 | 8,440 | 8,857 | 8,961 | 9,274 | 7,398 | 9,311 | 11,462 | 7,815 | 8,474 | 21,797 | 116,560 | 133,376 | 144,102 | |
| Planning and development | 183 | 267 | 270 | 283 | 287 | 297 | 237 | 233 | 366 | 250 | 203 | 723 | 3,598 | 4,127 | 4,461 | |
| Road transport | 6,254 | 8,069 | 8,170 | 8,574 | 8,674 | 8,977 | 7,161 | 9,078 | 11,095 | 7,565 | 8,271 | 21,074 | 112,962 | 129,249 | 139,641 | |
| Environmental protection | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | |
| Trading services | 45,553 | 50,834 | 52,815 | 50,834 | 52,815 | 55,455 | 57,436 | 61,397 | 59,416 | 55,455 | 62,057 | 121,271 | 725,337 | 831,961 | 899,350 | |
| Electricity | 39,110 | 43,644 | 45,344 | 43,644 | 45,344 | 47,612 | 49,312 | 52,713 | 51,013 | 47,612 | 53,280 | 89,088 | 607,715 | 697,049 | 753,511 | |
| Water | 2,454 | 2,738 | 2,845 | 2,738 | 2,845 | 2,987 | 3,094 | 3,307 | 3,201 | 2,987 | 3,343 | 4,546 | 37,086 | 42,538 | 45,984 | |
| Waste water management | - | - | - | - | - | - | - | - | - | - | - | 16,984 | 16,984 | 19,481 | 21,059 | |
| Waste management | 3,989 | 4,452 | 4,625 | 4,452 | 4,625 | 4,856 | 5,030 | 5,377 | 5,203 | 4,856 | 5,434 | 10,652 | 63,551 | 72,893 | 78,797 | |
| Other | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | |
| Total Revenue - Standard | 249,729 | 91,334 | 204,198 | 106,009 | 96,967 | 245,218 | 105,004 | 106,187 | 214,994 | 99,883 | 105,187 | 339,704 | 1,964,414 | 2,255,876 | 2,442,228 | |
| Expenditure - Standard | | | | | | | | | | | | | | | | |
| Governance and administration | 28,048 | 37,397 | 40,514 | 18,699 | 21,815 | 31,476 | 19,945 | 18,387 | 22,750 | 23,230 | 25,930 | (6,543) | 281,649 | 304,181 | 328,516 | |
| Executive and council | 3,597 | 4,796 | 5,196 | 2,398 | 2,798 | 4,037 | 2,558 | 2,358 | 2,918 | 3,397 | 2,838 | 30,440 | 67,330 | 72,716 | 78,534 | |
| Budget and treasury office | 18,052 | 24,069 | 26,075 | 12,034 | 14,040 | 20,258 | 12,837 | 11,834 | 14,642 | 14,642 | 17,049 | (86,481) | 99,050 | 106,974 | 115,532 | |
| Corporate services | 6,399 | 8,533 | 9,244 | 4,266 | 4,977 | 7,182 | 4,551 | 4,195 | 5,191 | 5,191 | 6,044 | 49,498 | 115,269 | 124,491 | 134,450 | |
| Community and public safety | 18,433 | 24,577 | 26,625 | 12,289 | 14,337 | 20,686 | 13,108 | 12,084 | 14,951 | 14,951 | 17,409 | 38,387 | 227,835 | 246,062 | 265,747 | |
| Community and social services | 5,964 | 7,951 | 8,614 | 3,976 | 4,638 | 6,692 | 4,241 | 3,909 | 4,837 | 4,837 | 5,632 | (28,176) | 33,116 | 35,765 | 38,626 | |
| Sport and recreation | 6,005 | 8,006 | 8,673 | 4,003 | 4,670 | 6,738 | 4,270 | 3,936 | 4,870 | 4,870 | 5,671 | 58,777 | 120,490 | 130,129 | 140,540 | |
| Public safety | 4,589 | 6,119 | 6,628 | 3,059 | 3,569 | 5,150 | 3,263 | 3,008 | 3,722 | 3,722 | 4,334 | 22,923 | 70,087 | 75,694 | 81,749 | |
| Housing | 779 | 1,039 | 1,125 | 519 | 606 | 874 | 554 | 511 | 632 | 632 | 736 | (3,866) | 4,143 | 4,474 | 4,832 | |
| Health | 1,097 | 1,462 | 1,584 | 731 | 853 | 1,231 | 780 | 719 | 890 | 890 | 1,036 | (11,271) | - | - | - | |
| Economic and environmental services | 36,087 | 48,116 | 52,126 | 24,058 | 28,068 | 40,498 | 25,662 | 23,657 | 29,271 | 29,271 | 34,082 | 123,122 | 494,019 | 540,909 | 598,415 | |
| Planning and development | 1,608 | 2,143 | 2,322 | 1,072 | 1,250 | 1,804 | 1,143 | 1,054 | 1,304 | 1,304 | 1,518 | 9,591 | 26,114 | 28,203 | 30,459 | |
| Road transport | 34,140 | 45,521 | 49,314 | 22,760 | 26,554 | 38,313 | 24,278 | 22,381 | 27,692 | 27,692 | 32,244 | 115,961 | 466,850 | 511,566 | 566,725 | |
| Environmental protection | 339 | 452 | 490 | 226 | 264 | 381 | 241 | 222 | 275 | 275 | 320 | (2,431) | 1,056 | 1,140 | 1,231 | |
| Trading services | 45,584 | 30,112 | 35,622 | 31,056 | 37,565 | 30,844 | 38,060 | 34,305 | 37,418 | 38,418 | 45,829 | 430,390 | 835,205 | 902,022 | 974,183 | |
| Electricity | 41,508 | 25,344 | 29,956 | 27,672 | 32,284 | 26,581 | 29,517 | 27,211 | 33,667 | 33,667 | 39,202 | 136,192 | 482,799 | 521,423 | 563,137 | |
| Water | 574 | 1,432 | 1,718 | 716 | 1,002 | 1,989 | 1,231 | 588 | 1,388 | 1,388 | 931 | 127,488 | 140,446 | 151,681 | 163,816 | |
| Waste water management | 538 | 1,384 | 1,000 | 692 | 1,307 | 1,215 | 938 | 631 | 1,092 | 1,092 | 1,230 | 87,808 | 98,928 | 106,842 | 115,390 | |
| Waste management | 2,964 | 1,952 | 2,948 | 1,976 | 2,972 | 1,060 | 6,374 | 5,876 | 1,271 | 2,271 | 4,466 | 78,902 | 113,033 | 122,075 | 131,841 | |
| Other | 147 | 196 | 212 | 98 | 114 | 165 | 104 | 96 | 119 | 119 | 139 | 528 | 2,036 | 2,199 | 2,375 | |
| Total Expenditure - Standard | 128,299 | 140,399 | 155,099 | 86,199 | 101,899 | 123,669 | 96,879 | 88,529 | 104,509 | 105,989 | 123,390 | 585,885 | 1,840,745 | 1,995,373 | 2,169,236 | |
| Surplus/(Deficit) before assoc. | 121,430 | (49,065) | 49,099 | 19,810 | (4,932) | 121,549 | 8,125 | 17,658 | 110,485 | (6,106) | (18,202) | (246,180) | 123,669 | 260,503 | 272,992 | |
| Share of surplus/ (deficit) of associate | | | | | | | | | | | | - | - | - | - | |
| Surplus/(Deficit) | 1 | 121,430 | (49,065) | 49,099 | 19,810 | (4,932) | 121,549 | 8,125 | 17,658 | 110,485 | (6,106) | (18,202) | (246,180) | 123,669 | 260,503 | 272,992 |

MP322 Mbombela - Supporting Table SA28 Budgeted monthly capital expenditure (municipal vote)

| Description R thousand | Ref | Budget Year 2013/14 | | | | | | | | | | | | Medium Term Revenue and Expenditure Framework | | |
|---|-----|---------------------|--------|--------|---------|--------|--------|---------|--------|--------|--------|--------|--------|---|---------------------------|---------------------------|
| | | July | August | Sept. | October | Nov. | Dec. | January | Feb. | March | April | May | June | Budget Year 2013/14 | Budget Year +1 2014/15 | Budget Year +2 2015/16 |
| Multi-year expenditure <i>to be appropriated</i> | 1 | | | | | | | | | | | | | | | |
| COUNCIL | | | | | | | | | | | | | | - | - | - |
| OFFICE OF COUNCIL | | | | | | | | | | | | | | - | - | - |
| OFFICE OF THE CHIEF WHP | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| PLANNING, PERFORMANCE & MONITORING | | - | 250 | 750 | 950 | 1,650 | 850 | 950 | 500 | 650 | 1,200 | 850 | 600 | 9,200 | 13,100 | 13,000 |
| OFFICE OF THE MUNICIPAL MANAGER | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| OFFICE OF THE DEPUTY MUNICIPAL MANAGER | | - | - | - | 250 | - | - | 250 | - | - | - | - | - | 500 | 300 | 400 |
| FINANCIAL SERVICES | | - | - | 350 | 1,200 | 1,500 | 650 | 2,500 | 1,200 | 1,350 | 700 | - | - | 9,450 | 7,650 | 7,200 |
| TRANSVERSAL SERVICES | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| CORPORATE SERVICES | | - | 1,250 | 1,400 | 1,600 | 850 | 450 | 1,200 | 1,500 | 1,200 | 1,600 | 850 | 790 | 12,690 | 13,470 | 8,030 |
| COMMUNITY SERVICES | | - | 2,500 | 1,542 | 2,845 | 2,300 | 1,200 | 3,500 | 4,500 | 4,600 | 3,500 | 5,800 | 4,152 | 36,439 | 59,522 | 82,787 |
| MUNICIPAL PLANNING & DEVELOPMENT | | - | 950 | 2,500 | 2,890 | 2,600 | 1,250 | 2,300 | 3,500 | 2,400 | 2,500 | 1,800 | 2,200 | 24,890 | 34,431 | 67,360 |
| TECHNICAL SERVICES | | - | 5,200 | 6,750 | 12,500 | 23,500 | 12,850 | 26,500 | 37,520 | 38,450 | 41,251 | 37,542 | 23,863 | 265,926 | 415,184 | 365,501 |
| 0 | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 0 | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 0 | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Capital multi-year expenditure sub-total | 2 | - | 10,150 | 13,292 | 22,235 | 32,400 | 17,250 | 37,200 | 48,720 | 48,650 | 50,751 | 46,842 | 31,605 | 359,095 | 543,657 | 544,279 |
| Single-year expenditure <i>to be appropriated</i> | | | | | | | | | | | | | | | | |
| COUNCIL | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| OFFICE OF COUNCIL | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| OFFICE OF THE CHIEF WHP | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| PLANNING, PERFORMANCE & MONITORING | | - | - | 250 | 1,250 | - | - | - | - | - | - | - | - | 1,500 | - | - |
| OFFICE OF THE MUNICIPAL MANAGER | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| OFFICE OF THE DEPUTY MUNICIPAL MANAGER | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| FINANCIAL SERVICES | | - | - | 350 | 450 | 650 | - | 453 | 390 | 350 | - | - | 358 | 3,000 | - | - |
| TRANSVERSAL SERVICES | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| CORPORATE SERVICES | | - | 300 | - | 500 | 254 | - | 350 | 450 | - | 350 | - | 298 | 2,500 | 1,800 | 2,700 |
| COMMUNITY SERVICES | | - | 1,500 | - | 250 | 1,200 | 650 | 1,800 | 2,500 | 1,900 | 750 | 500 | 450 | 11,500 | 15,000 | 31,000 |
| MUNICIPAL PLANNING & DEVELOPMENT | | - | - | 250 | 350 | 540 | - | 650 | 350 | 700 | 500 | 350 | 310 | 4,000 | - | - |
| TECHNICAL SERVICES | | - | 2,500 | 13,500 | 14,500 | 15,500 | 12,578 | 11,400 | 25,000 | 35,000 | 35,000 | 25,000 | 25,713 | 215,691 | 85,272 | 161,740 |
| 0 | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 0 | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 0 | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Capital single-year expenditure sub-total | 2 | - | 4,300 | 14,350 | 17,300 | 18,144 | 13,228 | 14,653 | 28,690 | 37,950 | 36,600 | 25,850 | 27,127 | 238,191 | 102,072 | 195,440 |
| Total Capital Expenditure | 2 | - | 14,450 | 27,642 | 39,535 | 50,544 | 30,478 | 51,853 | 77,410 | 86,600 | 87,351 | 72,692 | 58,732 | 597,286 | 645,729 | 739,719 |

MP322 Mbombela - Supporting Table SA29 Budgeted monthly capital expenditure (standard classification)

| Description R thousand | Ref | Budget Year 2013/14 | | | | | | | | | | | | Medium Term Revenue and Expenditure Framework | | |
|---|-----|---------------------|--------|--------|---------|--------|--------|---------|--------|--------|--------|--------|----------|---|---------------------------|---------------------------|
| | | July | August | Sept. | October | Nov. | Dec. | January | Feb. | March | April | May | June | Budget Year 2013/14 | Budget Year +1 2014/15 | Budget Year +2 2015/16 |
| Capital Expenditure - Standard | 1 | | | | | | | | | | | | | | | |
| <i>Governance and administration</i> | | - | 679 | 1,090 | 1,440 | 2,228 | 894 | 2,738 | 1,681 | 1,483 | 2,211 | 1,466 | 6,230 | 22,140 | 21,120 | 15,230 |
| Executive and council | | | | | | | | | | | | | | - | - | - |
| Budget and treasury office | | | 254 | 235 | 453 | 875 | 325 | 353 | 325 | 246 | 825 | 1,058 | 4,500 | 9,450 | 7,650 | 7,200 |
| Corporate services | | | 425 | 855 | 988 | 1,352 | 568 | 2,385 | 1,356 | 1,237 | 1,385 | 408 | 1,730 | 12,690 | 13,470 | 8,030 |
| <i>Community and public safety</i> | | - | 1,839 | 3,899 | 6,706 | 6,570 | 2,624 | 7,023 | 5,144 | 4,940 | 3,593 | 2,488 | (6,987) | 37,839 | 40,086 | 42,078 |
| Community and social services | | | 1,352 | 1,585 | 3,585 | 3,865 | 1,255 | 3,568 | 2,543 | 1,352 | 1,425 | 1,488 | (9,005) | 13,015 | 14,021 | 16,013 |
| Sport and recreation | | | - | 1,459 | 2,352 | 1,352 | 524 | 869 | 1,366 | 1,235 | 842 | - | 6,283 | 16,283 | 17,097 | 17,097 |
| Public safety | | | 487 | 855 | 769 | 1,352 | 845 | 2,585 | 1,235 | 2,352 | 1,325 | 1,000 | (4,265) | 8,541 | 8,968 | 8,968 |
| Housing | | | | | | | | | | | | | - | - | - | - |
| Health | | | | | | | | | | | | | - | - | - | - |
| <i>Economic and environmental services</i> | | - | 4,852 | 7,829 | 13,958 | 10,911 | 11,354 | 17,000 | 17,810 | 25,817 | 16,598 | 13,568 | 159,122 | 298,820 | 358,049 | 316,423 |
| Planning and development | | | - | 1,245 | 1,600 | 2,459 | 854 | 1,200 | 1,325 | 1,235 | 1,353 | 1,028 | 139 | 12,439 | 12,439 | 12,439 |
| Road transport | | | 4,852 | 6,584 | 12,358 | 8,452 | 10,500 | 15,800 | 16,485 | 24,582 | 15,245 | 12,540 | 158,983 | 286,381 | 345,610 | 303,984 |
| Environmental protection | | | | | | | | | | | | | - | - | - | - |
| <i>Trading services</i> | | - | 9,857 | 18,895 | 24,648 | 22,795 | 9,342 | 30,276 | 32,067 | 29,535 | 23,606 | 22,154 | 15,312 | 238,487 | 226,474 | 365,998 |
| Electricity | | | 2,352 | 3,500 | 4,500 | 6,500 | 2,500 | 5,625 | 6,585 | 6,900 | 7,500 | 5,400 | (10,915) | 40,447 | 23,354 | 53,417 |
| Water | | | 5,400 | 12,000 | 15,245 | 10,251 | 5,362 | 16,500 | 17,469 | 15,800 | 12,500 | 14,254 | 22,458 | 147,240 | 171,223 | 244,125 |
| Waste water management | | | 1,254 | 1,895 | 2,355 | 3,685 | 895 | 5,785 | 6,758 | 4,250 | 2,352 | 2,500 | 3,307 | 35,039 | 6,000 | 18,150 |
| Waste management | | | 850 | 1,500 | 2,549 | 2,358 | 584 | 2,365 | 1,254 | 2,585 | 1,254 | - | 461 | 15,761 | 25,897 | 50,297 |
| <i>Other</i> | | | | | | | | | | | | | - | - | - | - |
| Total Capital Expenditure - Standard | 2 | - | 17,227 | 31,714 | 46,753 | 42,504 | 24,215 | 57,036 | 56,703 | 61,775 | 46,008 | 39,676 | 173,676 | 597,286 | 645,729 | 739,719 |

MP322 Mbombela - Supporting Table SA30 Budgeted monthly cash flow

| MONTHLY CASH FLOWS | Budget Year 2013/14 | | | | | | | | | | | | Medium Term Revenue and Expenditure Framework | | | |
|---|---------------------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|---------|---|---------------------|------------------------|------------------------|
| | R thousand | July | August | Sept. | October | November | December | January | February | March | April | May | June | Budget Year 2013/14 | Budget Year +1 2014/15 | Budget Year +2 2015/16 |
| Cash Receipts By Source | | | | | | | | | | | | | | 1 | | |
| Property rates | 25,307 | 23,057 | 23,338 | 23,057 | 23,057 | 12,776 | 20,057 | 23,620 | 24,182 | 24,182 | 24,463 | 37,373 | 284,469 | 313,552 | 350,937 | |
| Property rates - penalties & collection charges | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | |
| Service charges - electricity revenue | 50,860 | 46,339 | 46,904 | 46,339 | 46,339 | 35,774 | 46,339 | 47,469 | 48,599 | 48,599 | 49,164 | 59,901 | 572,625 | 632,385 | 713,509 | |
| Service charges - water revenue | 2,599 | 2,368 | 2,397 | 2,368 | 2,368 | 1,339 | 2,368 | 2,426 | 2,483 | 2,483 | 2,512 | 3,650 | 29,360 | 32,386 | 36,196 | |
| Service charges - sanitation revenue | 1,542 | 1,405 | 1,422 | 1,405 | 1,405 | 888 | 1,405 | 1,439 | 1,474 | 1,474 | 1,491 | 799 | 16,149 | 17,827 | 19,945 | |
| Service charges - refuse revenue | 5,203 | 4,741 | 4,798 | 4,741 | 4,741 | 2,683 | 4,741 | 4,856 | 4,972 | 4,972 | 5,030 | 9,230 | 60,707 | 67,943 | 77,199 | |
| Service charges - other | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | |
| Rental of facilities and equipment | 192 | 218 | 197 | 275 | 10,997 | 298 | 298 | 527 | 2,978 | 481 | 275 | 490 | 17,226 | 19,294 | 21,841 | |
| Interest earned - external investments | 3 | - | - | 1,204 | 3 | - | 903 | 1,075 | - | - | 1,075 | 906 | 5,170 | 5,790 | 6,555 | |
| Interest earned - outstanding debtors | 1,632 | 1,504 | 1,430 | 990 | 1,339 | 1,119 | 2,567 | 2,292 | 1,779 | 1,852 | 1,302 | 5,207 | 23,014 | 25,776 | 29,180 | |
| Dividends received | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | |
| Fines | 228 | 348 | 180 | 191 | 206 | 273 | 195 | 243 | 131 | 318 | 187 | 831 | 3,331 | 3,731 | 4,223 | |
| Licences and permits | 8 | 8 | 6 | 9 | 1 | 2 | 7 | 9 | 74 | 6 | 1 | (89) | 41 | 46 | 52 | |
| Agency services | - | - | - | - | 24,935 | - | 20,260 | 7,558 | 7,325 | 4,987 | 10,441 | 23,682 | 99,188 | 111,090 | 125,759 | |
| Transfer receipts - operational | 102,594 | - | - | 3,527 | - | 80,152 | 3,847 | 3,847 | 70,534 | - | - | 91,004 | 355,505 | 401,723 | 473,323 | |
| Other revenue | 965 | 139 | 634 | 882 | 170 | 238 | 629 | 824 | 268 | 931 | 916 | 27,890 | 34,485 | 51,465 | 42,830 | |
| Cash Receipts by Source | 191,133 | 80,126 | 81,306 | 84,987 | 115,560 | 135,540 | 103,615 | 96,186 | 164,798 | 90,285 | 96,858 | 260,874 | 1,501,270 | 1,683,007 | 1,901,549 | |
| Other Cash Flows by Source | | | | | | | | | | | | | 390,636 | 390,636 | 505,617 | 465,792 |
| Transfer receipts - capital | | | | | | | | | | | | | - | | | |
| Contributions recognised - capital & Contributed assets | | | | | | | | | | | | | (2,500) | (1,400) | (1,568) | |
| Proceeds on disposal of PPE | (208) | (208) | (208) | (208) | (208) | (208) | (208) | (208) | (208) | (208) | (208) | (208) | | | | |
| Short term loans | | | | | | | | | | | | | - | - | - | |
| Borrowing long term/refinancing | | | | | | | | | | | | | 90,000 | 90,000 | 80,000 | |
| Increase (decrease) in consumer deposits | | | | | | | | | | | | | - | | | |
| Decrease (Increase) in non-current debtors | 5,781 | 5,781 | 5,781 | 5,781 | 5,781 | 5,781 | 5,781 | 5,781 | 5,781 | 5,781 | 5,781 | 5,781 | 69,369 | 48,558 | 43,702 | |
| Decrease (Increase) other non-current receivables | | | | | | | | | | | | | - | | | |
| Decrease (increase) in non-current investments | | | | | | | | | | | | | - | | | |
| Total Cash Receipts by Source | 196,706 | 85,699 | 86,879 | 90,560 | 121,133 | 141,113 | 109,188 | 101,758 | 170,370 | 95,857 | 102,431 | 747,083 | 2,048,776 | 2,235,783 | 2,489,476 | |
| Cash Payments by Type | | | | | | | | | | | | | | | | |
| Employee related costs | 29,767 | 33,218 | 34,512 | 33,218 | 34,512 | 36,238 | 37,532 | 40,120 | 40,120 | 36,238 | 40,552 | 72,266 | 468,291 | 523,730 | 566,630 | |
| Remuneration of councillors | 1,508 | 1,508 | 1,569 | 1,569 | 1,549 | 1,569 | 2,112 | 1,649 | 1,629 | 1,669 | 1,629 | 4,102 | 22,061 | 23,186 | 24,322 | |
| Finance charges | 84 | 2,614 | 422 | 84 | 548 | 10,964 | 2,867 | 2,910 | 2,994 | 1,265 | 590 | 8,855 | 34,198 | 32,190 | 36,937 | |
| Bulk purchases - Electricity | 26,917 | 61,526 | 49,990 | 23,841 | 28,071 | 3,461 | 24,610 | 22,688 | 28,071 | 32,685 | 27,302 | 88,852 | 418,014 | 456,111 | 497,681 | |
| Bulk purchases - Water & Sewer | 281 | 281 | 281 | 281 | 281 | 281 | 281 | 281 | 281 | 281 | 281 | (3,094) | | | | |
| Other materials | 1,282 | 1,611 | 2,203 | 2,794 | 2,827 | 2,926 | 2,334 | 2,301 | 3,616 | 2,466 | 2,005 | 16,713 | 43,080 | 46,568 | 50,174 | |
| Contracted services | 2,158 | 3,471 | 5,379 | 4,027 | 3,488 | 4,927 | 7,733 | 9,891 | 9,782 | 12,768 | 11,689 | 7,240 | 82,554 | 88,478 | 94,551 | |
| Transfers and grants - other municipalities | - | - | - | - | - | - | - | - | - | - | - | - | 45,005 | 45,005 | 47,972 | 51,061 |
| Transfers and grants - other | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | |
| Other expenditure | 2,577 | 4,144 | 27,913 | 16,748 | 16,103 | 17,821 | 9,233 | 11,809 | 23,618 | 15,245 | 13,956 | 92,767 | 251,934 | 265,717 | 279,617 | |
| Cash Payments by Type | 64,575 | 108,373 | 122,267 | 82,563 | 87,380 | 78,186 | 86,702 | 91,649 | 110,112 | 102,617 | 98,005 | 332,706 | 1,365,136 | 1,483,952 | 1,600,973 | |
| Other Cash Flows/Payments by Type | | | | | | | | | | | | | | | | |
| Capital assets | - | 17,227 | 33,768 | 49,605 | 46,004 | 25,065 | 61,779 | 49,503 | 34,375 | 37,508 | 41,076 | 174,363 | 570,273 | 645,472 | 739,719 | |
| Repayment of borrowing | 1,385 | 1,385 | 1,385 | 1,385 | 1,385 | 1,385 | 1,385 | 1,385 | 1,385 | 1,385 | 2,021 | 17,260 | 19,358 | 26,869 | | |
| Other Cash Flows/Payments | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | |
| Total Cash Payments by Type | 65,960 | 126,986 | 157,421 | 133,553 | 134,769 | 104,636 | 149,867 | 142,537 | 145,872 | 141,510 | 140,466 | 509,091 | 1,952,668 | 2,148,782 | 2,367,561 | |
| NET INCREASE/(DECREASE) IN CASH HELD | 130,746 | (41,287) | (70,542) | (42,993) | (13,637) | 36,477 | (40,679) | (40,779) | 24,498 | (45,653) | (38,035) | 237,992 | 96,107 | 87,000 | 121,915 | |
| Cash/cash equivalents at the month/year begin: | 110,156 | 240,902 | 199,615 | 129,073 | 86,080 | 72,443 | 108,920 | 68,241 | 27,462 | 51,960 | 6,307 | 31,729 | 110,156 | 206,263 | 293,264 | |
| Cash/cash equivalents at the month/year end: | 240,902 | 199,615 | 129,073 | 86,080 | 72,443 | 108,920 | 68,241 | 27,462 | 51,960 | 6,307 | (31,729) | 206,263 | 293,264 | 415,179 | | |

MP322 Mbombela - Supporting Table SA32 List of external mechanisms

| External mechanism Name of organisation | Yrs/ Mths | Period of agreement 1. | | Service provided | Expiry date of service delivery agreement or contract | Monetary value of agreement 2. |
|--|-------------------------------|---------------------------|--|---|---|--------------------------------------|
| | | Number | | | | R thousand |
| Tedcor (pty) LTD Semcorp Silulumanzi Bushbuckridge Water Board | Yrs Yrs Yrs Yrs 0 | 5 | | Collection of waste provision of portable water in concession area provision of portable water in Nsikanzi Area | 2012 May 01 2029 September 30 2015 December 30 00 January 1900 | 44,800 PPP 144,000 - |

MP322 Mbombela - Supporting Table SA34a Capital expenditure on new assets by asset class

| Description R thousand | Ref 1 | 2009/10 | 2010/11 | 2011/12 | Current Year 2012/13 | | | 2013/14 Medium Term Revenue & Expenditure Framework | | |
|---|----------|-----------------|-----------------|-----------------|----------------------|-----------------|--------------------|---|------------------------|------------------------|
| | | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget | Adjusted Budget | Full Year Forecast | Budget Year 2013/14 | Budget Year +1 2014/15 | Budget Year +2 2015/16 |
| <u>Capital expenditure on new assets by Asset Class/Sub-class</u> | | | | | | | | | | |
| Infrastructure | | 221,812 | 181,812 | 80,822 | 276,314 | 276,314 | 276,314 | 255,117 | 329,224 | 412,290 |
| Infrastructure - Road transport | | 89,223 | 59,223 | 19,223 | 115,409 | 115,409 | 115,409 | 86,167 | 151,826 | 226,022 |
| Roads, Pavements & Bridges | | 89,223 | 59,223 | 19,223 | 115,409 | 115,409 | 115,409 | 86,167 | 151,826 | 226,022 |
| Storm water | | | | | | | | — | — | — |
| Infrastructure - Electricity | | 25,741 | 15,741 | 25,741 | 39,060 | 39,060 | 39,060 | 41,013 | 43,064 | 45,217 |
| Generation | | | | | | | | — | — | — |
| Transmission & Reticulation | | 25,741 | 15,741 | 25,741 | 38,560 | 38,560 | 38,560 | 40,488 | 42,512 | 44,638 |
| Street Lighting | | | | | 500 | 500 | 500 | 525 | 551 | 579 |
| Infrastructure - Water | | 28,902 | 28,902 | 18,902 | 58,750 | 58,750 | 58,750 | 61,688 | 64,772 | 68,010 |
| Dams & Reservoirs | | | | | | | | — | — | — |
| Water purification | | | | | | | | — | — | — |
| Reticulation | | 28,902 | 28,902 | 18,902 | 58,750 | 58,750 | 58,750 | 61,688 | 64,772 | 68,010 |
| Infrastructure - Sanitation | | 16,956 | 16,956 | 16,956 | 25,755 | 25,755 | 25,755 | 27,043 | 28,395 | 29,815 |
| Reticulation | | 16,956 | 16,956 | 16,956 | 25,755 | 25,755 | 25,755 | 27,043 | 28,395 | 29,815 |
| Infrastructure - Other | | 60,990 | 60,990 | — | 37,340 | 37,340 | 37,340 | 39,207 | 41,167 | 43,226 |
| Waste Management | | 4,917 | 4,917 | | 7,600 | 7,600 | 7,600 | 7,980 | 8,379 | 8,798 |
| Transportation | | — | — | | | | | — | — | — |
| Gas | | — | — | | | | | — | — | — |
| Other | | 56,073 | 56,073 | | 29,740 | 29,740 | 29,740 | 31,227 | 32,788 | 34,428 |
| Community | | 326,892 | 40,760 | 30,760 | 12,377 | 12,377 | 12,377 | 13,496 | 13,666 | 14,358 |
| Parks & gardens | | 441 | 441 | 441 | | | | — | — | — |
| Sportsfields & stadia | | 305,655 | 19,523 | 9,523 | | | | — | — | — |
| Swimming pools | | — | | | | | | — | — | — |
| Community halls | | | | | 3,000 | 3,000 | 3,000 | 3,150 | 3,308 | 3,473 |
| Libraries | | | | | | | | — | — | — |
| Recreational facilities | | | | | 270 | 270 | 270 | 284 | 298 | 313 |
| Fire, safety & emergency | | 2,355 | 2,355 | 2,355 | 8,260 | 8,260 | 8,260 | 8,673 | 9,107 | 9,562 |
| Security and policing | | | | | 397 | 397 | 397 | 417 | 438 | 460 |
| Buses | | | | | | | | — | — | — |
| Clinics | | | | | | | | — | — | — |
| Museums & Art Galleries | | 62 | 62 | 62 | | | | — | — | — |
| Cemeteries | | | | | 450 | 450 | 450 | 473 | 496 | 521 |
| Social rental housing | | | | | | | | — | — | — |
| Other | | 18,380 | 18,380 | 18,380 | | | | 500 | 20 | 30 |
| Heritage assets | | — | — | — | — | — | — | — | — | — |
| Buildings | | | | | | | | | | |
| Other | | | | | | | | | | |
| Investment properties | | — | — | — | — | — | — | — | — | — |
| Housing development | | | | | | | | | | |
| Other | | | | | | | | | | |
| Other assets | | 50,807 | 10,807 | 39,497 | — | — | — | — | — | — |
| General vehicles | | 8,472 | 8,472 | 8,472 | | | | | | |
| Specialised vehicles | | — | — | — | | | | | | |
| Plant & equipment | | | | | | | | | | |
| Computers - hardware/equipment | | | | | | | | | | |
| Furniture and other office equipment | | | | | | | | | | |
| Abattoirs | | | | | | | | | | |
| Markets | | | | | | | | | | |
| Civic Land and Buildings | | | | | | | | | | |
| Other Buildings | | | | | | | | | | |
| Other Land | | | | | | | | | | |
| Surplus Assets - (Investment or Inventory) | | | | | | | | | | |
| Other | | 42,006 | 2,006 | 30,696 | — | — | — | — | — | — |
| Agricultural assets | | — | — | — | — | — | — | — | — | — |
| List sub-class | | | | | | | | | | |
| Biological assets | | — | — | — | — | — | — | — | — | — |
| List sub-class | | | | | | | | | | |
| Intangibles | | — | — | — | — | — | — | — | — | — |
| Computers - software & programming | | | | | | | | | | |
| Other (list sub-class) | | | | | | | | | | |
| Total Capital Expenditure on new assets | 1 | 599,512 | 233,380 | 151,079 | 288,691 | 288,691 | 288,691 | 268,613 | 342,889 | 426,648 |
| Specialised vehicles | | — | — | — | — | — | — | — | — | — |
| Refuse | | | | | | | | | | |
| Fire | | | | | | | | | | |
| Conservancy | | | | | | | | | | |
| Ambulances | | | | | | | | | | |

MP322 Mbombela - Supporting Table SA34b Capital expenditure on the renewal of existing assets by asset class

| Description R thousand | Ref | 2009/10 | 2010/11 | 2011/12 | Current Year 2012/13 | | | 2013/14 Medium Term Revenue & Expenditure Framework | | |
|---|-----|-----------------|-----------------|-----------------|----------------------|-----------------|--------------------|---|------------------------|------------------------|
| | | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget | Adjusted Budget | Full Year Forecast | Budget Year 2013/14 | Budget Year +1 2014/15 | Budget Year +2 2015/16 |
| Capital expenditure on renewal of existing assets by Asset Class/Sub-class | | | | | | | | | | |
| Infrastructure | | 244,639 | 58,636 | 34,639 | 243,647 | 191,845 | 191,845 | 290,285 | 265,950 | 274,337 |
| Infrastructure - Road transport | | 60,700 | 20,700 | 10,700 | 60,700 | 63,293 | 63,293 | 137,648 | 141,920 | 144,105 |
| Roads, Pavements & Bridges | | 57,700 | 17,700 | 7,700 | 57,700 | 63,293 | 63,293 | 66,457 | 69,780 | 73,269 |
| Storm water | | 3,000 | 3,000 | 3,000 | 3,000 | — | — | 71,191 | 72,140 | 70,836 |
| Infrastructure - Electricity | | 14,300 | 14,300 | 4,300 | 14,300 | 20,100 | 20,100 | 40,900 | 6,707 | 7,043 |
| Generation | | — | — | — | — | — | — | 34,513 | — | — |
| Transmission & Reticulation | | 14,300 | 14,300 | 4,300 | 14,300 | 20,100 | 20,100 | 2,111 | 2,216 | 2,327 |
| Street Lighting | | — | — | — | — | — | — | 4,277 | 4,491 | 4,716 |
| Infrastructure - Water | | 72,514 | 6,511 | 2,514 | 71,522 | 100,802 | 100,802 | 103,704 | 108,889 | 114,333 |
| Dams & Reservoirs | | — | — | — | — | — | — | — | — | — |
| Water purification | | — | — | — | — | — | — | — | — | — |
| Reticulation | | 72,514 | 6,511 | 2,514 | 71,522 | 100,802 | 100,802 | 103,704 | 108,889 | 114,333 |
| Infrastructure - Sanitation | | 7,600 | 7,600 | 7,600 | 7,600 | 5,400 | 5,400 | 5,670 | 5,954 | 6,251 |
| Reticulation | | 7,600 | 7,600 | 7,600 | 7,600 | 5,400 | 5,400 | 5,670 | 5,954 | 6,251 |
| Sewerage purification | | — | — | — | — | — | — | — | — | — |
| Infrastructure - Other | | 89,525 | 9,525 | 9,525 | 89,525 | 2,250 | 2,250 | 2,363 | 2,481 | 2,605 |
| Waste Management | | 7,700 | 7,700 | 7,700 | 7,700 | 750 | 750 | 788 | 827 | 868 |
| Transportation | | — | — | — | — | — | — | — | — | — |
| Gas | | — | — | — | — | — | — | — | — | — |
| Other | | 81,825 | 1,825 | 1,825 | 81,825 | 1,500 | 1,500 | 1,575 | 1,654 | 1,736 |
| Community | | 9,230 | 9,230 | 9,230 | 9,230 | 11,080 | 11,080 | 11,634 | 12,216 | 12,826 |
| Parks & gardens | | — | — | — | — | — | — | — | — | — |
| Sportsfields & stadia | | 2,100 | 2,100 | 2,100 | 2,100 | 8,300 | 8,300 | 8,715 | 9,151 | 9,608 |
| Swimming pools | | — | — | — | — | — | — | — | — | — |
| Community halls | | 1,500 | 1,500 | 1,500 | 1,500 | 700 | 700 | 735 | 772 | 810 |
| Libraries | | 500 | 500 | 500 | 500 | — | — | — | — | — |
| Recreational facilities | | 300 | 300 | 300 | 300 | — | — | — | — | — |
| Fire, safety & emergency | | 4,500 | 4,500 | 4,500 | 4,500 | — | — | — | — | — |
| Security and policing | | 250 | 250 | 250 | 250 | 1,180 | 1,180 | 1,239 | 1,301 | 1,366 |
| Buses | | — | — | — | — | — | — | — | — | — |
| Clinics | | — | — | — | — | — | — | — | — | — |
| Museums & Art Galleries | | — | — | — | — | — | — | — | — | — |
| Cemeteries | | — | — | — | — | — | — | — | — | — |
| Social rental housing | | — | — | — | — | — | — | — | — | — |
| Other | | 80 | 80 | 80 | 80 | 900 | 900 | 945 | 992 | 1,042 |
| Heritage assets | | — | — | — | — | — | — | — | — | — |
| Buildings | | — | — | — | — | — | — | — | — | — |
| Other | | — | — | — | — | — | — | — | — | — |
| Investment properties | | — | — | — | — | — | — | — | — | — |
| Housing development | | — | — | — | — | — | — | — | — | — |
| Other | | — | — | — | — | — | — | — | — | — |
| Other assets | | — | — | — | — | 28,380 | 28,380 | 23,499 | 24,674 | 25,908 |
| General vehicles | | — | — | — | — | 10,950 | 10,950 | 11,498 | 12,072 | 12,676 |
| Specialised vehicles | | — | — | — | — | 6,000 | 6,000 | — | — | — |
| Plant & equipment | | — | — | — | — | 1,280 | 1,280 | 1,344 | 1,411 | 1,482 |
| Computers - hardware/equipment | | — | — | — | — | — | — | — | — | — |
| Furniture and other office equipment | | — | — | — | — | 1,800 | 1,800 | 1,890 | 1,985 | 2,084 |
| Abattoirs | | — | — | — | — | — | — | — | — | — |
| Markets | | — | — | — | — | 900 | 900 | 945 | 992 | 1,042 |
| Civic Land and Buildings | | — | — | — | — | 2,000 | 2,000 | 2,100 | 2,205 | 2,315 |
| Other Buildings | | — | — | — | — | 2,200 | 2,200 | 2,310 | 2,426 | 2,547 |
| Other Land | | — | — | — | — | — | — | — | — | — |
| Surplus Assets - (Investment or Inventory) | | — | — | — | — | — | — | — | — | — |
| Other | | — | — | — | — | 3,250 | 3,250 | 3,413 | 3,583 | 3,762 |
| Agricultural assets | | — | — | — | — | — | — | — | — | — |
| List sub-class | | — | — | — | — | — | — | — | — | — |
| Biological assets | | — | — | — | — | — | — | — | — | — |
| List sub-class | | — | — | — | — | — | — | — | — | — |
| Intangibles | | — | — | — | — | 3,100 | 3,100 | 3,255 | — | — |
| Computers - software & programming | | — | — | — | — | 3,100 | 3,100 | 3,255 | — | — |
| Other (list sub-class) | | — | — | — | — | — | — | — | — | — |
| Total Capital Expenditure on renewal of existing | 1 | 253,869 | 67,866 | 43,869 | 252,877 | 234,405 | 234,405 | 328,673 | 302,840 | 313,071 |
| Specialised vehicles | | — | — | — | — | 6,000 | 6,000 | — | — | — |
| Refuse | | — | — | — | — | 6,000 | 6,000 | — | — | — |
| Fire | | — | — | — | — | — | — | — | — | — |
| Conservancy | | — | — | — | — | — | — | — | — | — |
| Ambulances | | — | — | — | — | — | — | — | — | — |
| <i>Renewal of Existing Assets as % of total capex</i> | | 29.7% | 22.5% | 22.5% | 46.7% | 44.8% | 44.8% | 55.0% | 46.9% | 42.3% |
| <i>Renewal of Existing Assets as % of deprecn"</i> | | 128.9% | 23.9% | 15.0% | 87.7% | 82.6% | 82.6% | 112.9% | 93.5% | 85.6% |

MP322 Mbombela - Supporting Table SA34c Repairs and maintenance expenditure by asset class

| Description | Ref | 2009/10 | 2010/11 | 2011/12 | Current Year 2012/13 | | | 2013/14 Medium Term Revenue & Expenditure Framework | | |
|---|-----|-----------------|-----------------|-----------------|----------------------|-----------------|--------------------|---|------------------------|------------------------|
| | | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget | Adjusted Budget | Full Year Forecast | Budget Year 2013/14 | Budget Year +1 2014/15 | Budget Year +2 2015/16 |
| Repairs and maintenance expenditure by Asset Class/Sub-class | | | | | | | | | | |
| Infrastructure | 1 | 107,397 | 107,888 | 108,404 | 117,981 | 117,981 | 117,981 | 76,968 | 82,667 | 88,523 |
| Infrastructure - Road transport | | 48,307 | 48,307 | 48,307 | 36,842 | 36,842 | 36,842 | 47,187 | 50,655 | 54,216 |
| Roads, Pavements & Bridges | | 34,949 | 34,949 | 34,949 | 27,330 | 27,330 | 27,330 | 35,438 | 37,996 | 40,619 |
| Storm water | | 13,358 | 13,358 | 13,358 | 9,513 | 9,513 | 9,513 | 11,748 | 12,659 | 13,597 |
| Infrastructure - Electricity | | 25,046 | 25,046 | 25,046 | 29,027 | 29,027 | 29,027 | 23,582 | 25,348 | 27,165 |
| Generation | | 13,594 | 13,594 | 13,594 | 21,524 | 21,524 | 21,524 | 23,582 | 25,348 | 27,165 |
| Transmission & Reticulation | | — | — | — | — | — | — | — | — | — |
| Street Lighting | | 11,452 | 11,452 | 11,452 | 7,503 | 7,503 | 7,503 | — | — | — |
| Infrastructure - Water | | 13,452 | 13,452 | 13,452 | 22,165 | 22,165 | 22,165 | 2,131 | 2,294 | 2,462 |
| Dams & Reservoirs | | — | — | — | — | — | — | — | — | — |
| Water purification | | 13,452 | 13,452 | 13,452 | 22,165 | 22,165 | 22,165 | 2,131 | 2,294 | 2,462 |
| Reticulation | | — | — | — | — | — | — | — | — | — |
| Infrastructure - Sanitation | | 10,767 | 10,767 | 10,767 | 14,528 | 14,528 | 14,528 | 2,131 | 2,294 | 2,462 |
| Reticulation | | — | — | — | — | — | — | — | — | — |
| Sewerage purification | | 10,767 | 10,767 | 10,767 | 14,528 | 14,528 | 14,528 | 2,131 | 2,294 | 2,462 |
| Infrastructure - Other | | 9,824 | 10,315 | 10,831 | 15,417 | 15,417 | 15,417 | 1,937 | 2,076 | 2,219 |
| Waste Management | | 8,400 | 8,820 | 9,261 | 12,542 | 12,542 | 12,542 | 1,937 | 2,076 | 2,219 |
| Transportation | | — | — | — | — | — | — | — | — | — |
| Gas | | — | — | — | — | — | — | — | — | — |
| Other | 2 | 1,424 | 1,495 | 1,570 | 2,875 | 2,875 | 2,875 | — | — | — |
| Community | 3 | 14,307 | 15,022 | 15,773 | 28,076 | 28,076 | 28,076 | 10,955 | 11,757 | 12,581 |
| Parks & gardens | | 288 | 302 | 317 | 525 | 525 | 525 | 6,618 | 7,093 | 7,580 |
| Sportsfields & stadia | | 5,829 | 6,120 | 6,426 | 4,822 | 4,822 | 4,822 | 892 | 956 | 1,021 |
| Swimming pools | | 352 | 370 | 389 | 525 | 525 | 525 | — | — | — |
| Community halls | | 85 | 90 | 94 | 92 | 92 | 92 | — | — | — |
| Libraries | | 658 | 691 | 726 | 985 | 985 | 985 | — | — | — |
| Recreational facilities | | 155 | 163 | 171 | 215 | 215 | 215 | — | — | — |
| Fire, safety & emergency | | 390 | 409 | 429 | 895 | 895 | 895 | — | — | — |
| Security and policing | | 2,352 | 2,470 | 2,594 | 12,352 | 12,352 | 12,352 | 1,720 | 1,859 | 2,003 |
| Buses | 7 | — | — | — | — | — | — | — | — | — |
| Clinics | | — | — | — | — | — | — | — | — | — |
| Museums & Art Galleries | | — | — | — | — | — | — | — | — | — |
| Cemeteries | 8 | 2,352 | 2,470 | 2,593 | 3,852 | 3,852 | 3,852 | — | — | — |
| Social rental housing | | — | — | — | — | — | — | — | — | — |
| Other | | 1,845 | 1,937 | 2,034 | 3,812 | 3,812 | 3,812 | 1,725 | 1,849 | 1,976 |
| Heritage assets | | — | — | — | — | — | — | — | — | — |
| Buildings | 9 | — | — | — | — | — | — | — | — | — |
| Other | | — | — | — | — | — | — | — | — | — |
| Investment properties | | — | — | — | — | — | — | — | — | — |
| Housing development | | — | — | — | — | — | — | — | — | — |
| Other | | — | — | — | — | — | — | — | — | — |
| Other assets | | 9,387 | 9,387 | 9,387 | 7,588 | 7,588 | 7,588 | 35,182 | 37,885 | 40,671 |
| General vehicles | 10 | — | — | — | — | — | — | 28,983 | 31,241 | 33,571 |
| Specialised vehicles | | 4,273 | 4,273 | 4,273 | 2,752 | 2,752 | 2,752 | 1,058 | 1,134 | 1,211 |
| Plant & equipment | | — | — | — | — | — | — | — | — | — |
| Computers - hardware/equipment | | 735 | 735 | 735 | 206 | 206 | 206 | — | — | — |
| Furniture and other office equipment | | — | — | — | — | — | — | — | — | — |
| Abattoirs | | — | — | — | — | — | — | — | — | — |
| Markets | | — | — | — | — | — | — | — | — | — |
| Civic Land and Buildings | | 4,379 | 4,379 | 4,379 | 4,630 | 4,630 | 4,630 | 5,141 | 5,510 | 5,889 |
| Other Buildings | | — | — | — | — | — | — | — | — | — |
| Other Land | | — | — | — | — | — | — | — | — | — |
| Surplus Assets - (Investment or Inventory) | | — | — | — | — | — | — | — | — | — |
| Other | | — | — | — | — | — | — | — | — | — |
| Agricultural assets | | — | — | — | — | — | — | — | — | — |
| List sub-class | | — | — | — | — | — | — | — | — | — |
| Biological assets | | — | — | — | — | — | — | — | — | — |
| List sub-class | | — | — | — | — | — | — | — | — | — |
| Intangibles | | — | — | — | — | — | — | — | — | — |
| Computers - software & programming | | — | — | — | — | — | — | — | — | — |
| Other (list sub-class) | | — | — | — | — | — | — | — | — | — |
| Total Repairs and Maintenance Expenditure | 1 | 131,091 | 132,297 | 133,564 | 153,645 | 153,645 | 153,645 | 123,105 | 132,310 | 141,775 |
| Specialised vehicles | | — | — | — | — | — | — | — | — | — |
| Refuse | | — | — | — | — | — | — | — | — | — |
| Fire | | — | — | — | — | — | — | — | — | — |
| Conservancy | | — | — | — | — | — | — | — | — | — |
| Ambulances | | — | — | — | — | — | — | — | — | — |
| R&M as % of PPE | | 2.5% | 2.5% | 2.6% | 2.7% | 2.9% | 2.9% | 2.3% | 2.4% | 2.4% |
| R&M as % Operating Expenditure | | 10.1% | 9.1% | 8.0% | 9.0% | 8.9% | 8.9% | 6.7% | 6.6% | 6.5% |

MP322 Mbombela - Supporting Table SA34d Depreciation by asset class

MP322 Mbombela - Supporting Table SA35 Future financial implications of the capital budget

| Vote Description R thousand | Ref | 2013/14 Medium Term Revenue & Expenditure Framework | | | Forecasts | | | |
|--|-----|---|---------------------------|---------------------------|---------------------|---------------------|---------------------|---------------|
| | | Budget Year 2013/14 | Budget Year +1 2014/15 | Budget Year +2 2015/16 | Forecast 2016/17 | Forecast 2017/18 | Forecast 2018/19 | Present value |
| Capital expenditure | 1 | | | | | | | |
| COUNCIL | | - | - | - | | | | |
| OFFICE OF COUNCIL | | - | - | - | | | | |
| OFFICE OF THE CHIEF WHIP | | - | - | - | | | | |
| PLANNING, PERFORMANCE & MONITORING | | 10,700 | 13,100 | 13,000 | | | | |
| OFFICE OF THE MUNICIPAL MANAGER | | - | - | - | | | | |
| OFFICE OF THE DEPUTY MUNICIPAL MANAGER | | 500 | 300 | 400 | | | | |
| FINANCIAL SERVICES | | 12,450 | 7,650 | 7,200 | | | | |
| TRANSVERSAL SERVICES | | - | - | - | | | | |
| CORPORATE SERVICES | | 15,190 | 15,270 | 10,730 | | | | |
| COMMUNITY SERVICES | | 47,939 | 74,522 | 113,787 | | | | |
| MUNICIPAL PLANNING & DEVELOPMENT | | 28,890 | 34,431 | 67,360 | | | | |
| TECHNICAL SERVICES | | 481,616 | 500,456 | 527,242 | | | | |
| 0 | | - | - | - | | | | |
| 0 | | - | - | - | | | | |
| 0 | | - | - | - | | | | |
| <i>List entity summary if applicable</i> | | | | | | | | |
| Total Capital Expenditure | | 597,286 | 645,729 | 739,719 | - | - | - | - |
| Future operational costs by vote | 2 | | | | | | | |
| COUNCIL | | | | | | | | |
| OFFICE OF COUNCIL | | | | | | | | |
| OFFICE OF THE CHIEF WHIP | | | | | | | | |
| PLANNING, PERFORMANCE & MONITORING | | | | | | | | |
| OFFICE OF THE MUNICIPAL MANAGER | | | | | | | | |
| OFFICE OF THE DEPUTY MUNICIPAL MANAGER | | | | | | | | |
| FINANCIAL SERVICES | | | | | | | | |
| TRANSVERSAL SERVICES | | | | | | | | |
| CORPORATE SERVICES | | | | | | | | |
| COMMUNITY SERVICES | | | | | | | | |
| MUNICIPAL PLANNING & DEVELOPMENT | | | | | | | | |
| TECHNICAL SERVICES | | | | | | | | |
| 0 | | | | | | | | |
| 0 | | | | | | | | |
| 0 | | | | | | | | |
| <i>List entity summary if applicable</i> | | | | | | | | |
| Total future operational costs | | - | - | - | - | - | - | - |
| Future revenue by source | 3 | | | | | | | |
| Property rates | | | | | | | | |
| Property rates - penalties & collection charges | | | | | | | | |
| Service charges - electricity revenue | | | | | | | | |
| Service charges - water revenue | | | | | | | | |
| Service charges - sanitation revenue | | | | | | | | |
| Service charges - refuse revenue | | | | | | | | |
| Service charges - other | | | | | | | | |
| Rental of facilities and equipment | | | | | | | | |
| <i>List other revenues sources if applicable</i> | | | | | | | | |
| <i>List entity summary if applicable</i> | | | | | | | | |
| Total future revenue | | - | - | - | - | - | - | - |
| Net Financial Implications | | 597,286 | 645,729 | 739,719 | - | - | - | - |

2.7 LEGISLATION COMPLIANCE STATUS

Compliance with the MFMA implementation requirements have been substantially adhered to through the following activities:

2.7.1 In-year reporting

Reporting requirements in terms of the Municipal Finance Management Act and its regulations have been complied with.

2.7.2 Internship programme

The Municipality is participating in the Municipal Financial Management Internship programme and has employed five interns undergoing training in various divisions of the Financial Services Department. Of the five interns one has been appointed from August 2010 and the remaining one is still part of the programme and 4 new interns have been appointed.. Since the introduction of the Internship programme the Municipality has successfully trained 337 interns through this programme and a majority of them were appointed either in the Municipality or other Institutions such as KPMG, Vodacom, SARS, Auditor General, and Provincial Treasury.

2.7.3 Budget and Treasury Office

The Budget and Treasury Office has been established in accordance with the section 80 of the MFMA.

2.7.4 Audit Committee

An Audit Committee has been established and is fully functional.

2.7.5 Service Delivery and Implementation Plan

The detail SDBIP document is at a draft stage and will be finalized after approval of the 2013/14 MTREF in May 2013 directly aligned and informed by the 2013/14 IDP and budget.

2.7.6 Annual Report

Annual report is compiled in terms of the Municipal Finance Management Act and its regulations.

2.7.7 Municipal Finance Management Act Training

The MFMA training module in electronic format is presented at the City's internal centre and training is ongoing.

2.7.8 Policies

All budget-related policies mentioned earlier will be tabled together with the approved budget before council on 31 May 2013.

MUNICIPAL MANAGER'S QUALITY CERTIFICATE

Mbombela Local MunicipalityDraft 2013/2104 Annual Budget and MTREF**MUNICIPAL MANAGER'S QUALITY CERTIFICATE**

I Municipal Manager of Mbombela Local Municipality, hereby certify that the draft annual budget and supporting documentation have been prepared in accordance with the Municipal Finance Management Act and the regulations made under the Act, and that the annual budget and supporting documents are consistent with the Integrated Development Plan of the municipality.

Print Name



Municipal manager of Mbombela Local Municipality (MP322)

Signature



Date

11/04/2013